

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 "A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 local government and to make an appropriation."
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-10-18-8 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) Except as
- 8 provided in subsection (b), if the balance, at the end of a state fiscal
- 9 year, in the fund exceeds seven percent (7%) of the total state general
- 10 fund revenues for that state fiscal year, the excess is appropriated from
- 11 the fund to the ~~property tax replacement state general fund. established~~
- 12 ~~under IC 6-1.1-21.~~ The auditor of state and the treasurer of state shall
- 13 transfer the amount so appropriated from the fund to the ~~property tax~~
- 14 ~~replacement state general fund~~ during the immediately following state
- 15 fiscal year.
- 16 (b) If an appropriation is made out of the fund under section 4 of this
- 17 chapter for a state fiscal year during which a transfer is to be made from
- 18 the fund to the ~~property tax replacement state general fund under~~
- 19 ~~subsection (a),~~ the amount of the appropriation made under subsection
- 20 (a) shall be reduced by the amount of the appropriation made under
- 21 section 4 of this chapter. However, the amount of the appropriation
- 22 made under subsection (a) may not be reduced to less than zero (0).
- 23 SECTION 2. IC 4-24-7-4, AS AMENDED BY P.L.246-2005,
- 24 SECTION 44, IS AMENDED TO READ AS FOLLOWS
- 25 [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) Accounts of state

institutions described in sections 1 and 3 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of such institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from which county the inmate or patient was admitted.

(2) All accounts accruing between January 1 and June 30 of each year shall be forwarded to the county auditor on or before October 1 of such year.

(3) All accounts accruing between July 1 and December 31 of each year shall be forwarded to the county auditor on or before April 1 of the following year.

(4) Upon receipt of any such account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, and the same shall be paid out of the funds of the county appropriated therefor.

(5) The county council of each county of the state shall annually appropriate sufficient funds to pay such accounts.

(b) All accounts of state institutions described in section 2 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of the institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from the county from which the inmate was admitted.

(2) All accounts accruing after December 31 and before April 1 of each year shall be forwarded to the county auditor on or before May 15 of that year.

(3) All accounts accruing after March 31 and before July 1 of each year shall be forwarded to the county auditor on or before August 15 of that year.

(4) All accounts accruing after June 30 and before October 1 of each year shall be forwarded to the county auditor on or before November 15 of that year.

(5) All accounts accruing after September 30 and before January 1 of each year, and any reconciliations for previous periods, shall be forwarded to the county auditor on or before March 15 of the following year.

(6) Upon receipt of an account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, which shall be paid from the funds of the county that were appropriated for the payment.

(7) The county council of each county shall annually appropriate sufficient funds to pay these accounts.

If a county has not paid an account within six (6) months after the account is forwarded under this subsection, the auditor of state shall, notwithstanding anything to the contrary in ~~IC 6-11-21~~, **IC 6-10-7**, reduce the next distribution of **certified** property tax replacement

1 ~~credits distribution~~ under ~~IC 6-1-1-21~~ **IC 6-10-7** to the county and
 2 withhold the amount owed on the account. The auditor of state shall
 3 credit the withheld amount to the state general fund for the purpose of
 4 curing the default. The account is then considered paid. A county that
 5 has the county's distribution reduced under this subsection shall apply
 6 the withheld amount only to the county unit's share of the distribution
 7 and may not reduce a distribution to any other civil taxing unit or
 8 school corporation within the county.

9 SECTION 3. IC 4-33-13-5, AS AMENDED BY P.L.246-2005,
 10 SECTION 46, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) This subsection does not
 12 apply to tax revenue remitted by an operating agent operating a
 13 riverboat in a historic hotel district. After funds are appropriated under
 14 section 4 of this chapter, each month the treasurer of state shall
 15 distribute the tax revenue deposited in the state gaming fund under this
 16 chapter to the following:

17 (1) The first thirty-three million dollars (\$33,000,000) of tax
 18 revenues collected under this chapter shall be set aside for revenue
 19 sharing under subsection (e).

20 (2) Subject to subsection (c), twenty-five percent (25%) of the
 21 remaining tax revenue remitted by each licensed owner shall be
 22 paid:

23 (A) to the city that is designated as the home dock of the
 24 riverboat from which the tax revenue was collected, in the case
 25 of:

26 (i) a city described in IC 4-33-12-6(b)(1)(A); or

27 (ii) a city located in a county having a population of more
 28 than four hundred thousand (400,000) but less than seven
 29 hundred thousand (700,000); or

30 (B) to the county that is designated as the home dock of the
 31 riverboat from which the tax revenue was collected, in the case
 32 of a riverboat whose home dock is not in a city described in
 33 clause (A).

34 (3) Subject to subsection (d), the remainder of the tax revenue
 35 remitted by each licensed owner shall be paid to the property tax
 36 replacement fund. In each state fiscal year, the treasurer of state
 37 shall make the transfer required by this subdivision not later than
 38 the last business day of the month in which the tax revenue is
 39 remitted to the state for deposit in the state gaming fund.
 40 However, if tax revenue is received by the state on the last
 41 business day in a month, the treasurer of state may transfer the tax
 42 revenue to the property tax replacement fund in the immediately
 43 following month.

44 (b) This subsection applies only to tax revenue remitted by an
 45 operating agent operating a riverboat in a historic hotel district. After
 46 funds are appropriated under section 4 of this chapter, each month the
 47 treasurer of state shall distribute the tax revenue deposited in the state

gaming fund under this chapter as follows:

(1) Thirty-seven and one half percent (37.5%) shall be paid to the property tax replacement state general fund. ~~established under IC 6-1.1-21.~~

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars (\$20,000,000), the amount described in this subdivision shall be paid to the property tax replacement state general fund. ~~established under IC 6-1.1-21.~~

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in ~~IC 6-1.1-21~~ **IC 6-10-2-33**) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in ~~IC 6-1.1-21~~ **IC 6-10-2-33**) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where

the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city's or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under

subsubsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of each year, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to:

(1) the entity's base year revenue (as determined under IC 4-33-12-6); minus

(2) the sum of:

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; plus

1 (B) any amounts deducted under IC 6-3.1-20-7.

2 (h) This subsection applies only to a county containing a
3 consolidated city. The county auditor shall distribute the money
4 received by the county under subsection (e) as follows:

5 (1) To each city, other than a consolidated city, located in the
6 county according to the ratio that the city's population bears to the
7 total population of the county.

8 (2) To each town located in the county according to the ratio that
9 the town's population bears to the total population of the county.

10 (3) After the distributions required in subdivisions (1) and (2) are
11 made, the remainder shall be paid in equal amounts to the
12 consolidated city and the county."

13 Page 6, between lines 5 and 6, begin a new paragraph and insert:

14 "SECTION 4. IC 5-13-6-3 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) All taxes
16 collected by the county treasurer shall be deposited as one (1) fund in
17 the several depositories selected for the deposit of county funds and,
18 except as provided in subsection (b), remain in the depositories until
19 distributed at the following semiannual distribution made by the county
20 auditor.

21 (b) Every county treasurer who, by virtue of the treasurer's office,
22 is the collector of any taxes for any political subdivision wholly or
23 partly within the county shall, not later than thirty (30) days after
24 receipt of a written request for funds filed with the treasurer by a proper
25 officer of any political subdivision within the county, advance to that
26 political subdivision a portion of the taxes collected before the
27 semiannual distribution. The amount advanced may not exceed the
28 lesser of:

29 (1) ninety-five percent (95%) of the total amount collected at the
30 time of the advance; or

31 (2) ninety-five percent (95%) of the amount to be distributed at
32 the semiannual distribution.

33 (c) Every county treasurer shall, not later than thirty (30) days after
34 receipt of a written request for funds filed with the treasurer by a proper
35 officer of any political subdivision within the county, advance to that
36 political subdivision a part of the distributions received under
37 ~~IC 6-1.1-21-10~~ **IC 6-10** from the ~~property tax replacement state~~
38 **general** fund for the political subdivision. The amount advanced may
39 not exceed the lesser of:

40 (1) ninety-five percent (95%) of the amount distributed from the
41 fund to the county treasurer for the political subdivision at the
42 time of the advance; or

43 (2) ninety-five percent (95%) of the total amount to be distributed
44 by the county treasurer to the political subdivision on the next
45 scheduled distribution date.

46 (d) Upon notice from the county treasurer of the amount to be
47 advanced, the county auditor shall draw a warrant upon the county

1 treasurer for the amount. The amount of the advance must be available
2 immediately for the use of the political subdivision.

3 (e) At the semiannual distribution all the advances made to any
4 political subdivision under subsection (b) or (c) shall be deducted from
5 the total amount due any political subdivision as shown by the
6 distribution."

7 Page 24, between lines 19 and 20, begin a new paragraph and insert:

8 "SECTION 34. IC 6-1.1-4-31.5, AS ADDED BY P.L.228-2005,
9 SECTION 12, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JANUARY 1, 2007]: Sec. 31.5. (a) As used in this
11 section, "assessment official" means any of the following:

12 (1) A county assessor.

13 (2) A township assessor.

14 (3) A township trustee-assessor.

15 (b) As used in this section, "department" refers to the department of
16 local government finance.

17 (c) If the department makes a determination and informs local
18 officials under section 31(c) of this chapter, the department may order
19 a state conducted assessment or reassessment in the county subject to
20 the time limitation in that subsection.

21 (d) If the department orders a state conducted assessment or
22 reassessment in a county, the department shall assume the duties of the
23 county's assessment officials. Notwithstanding sections 15 and 17 of
24 this chapter, an assessment official in a county subject to an order
25 issued under this section may not assess property or have property
26 assessed for the assessment or general reassessment. Until the state
27 conducted assessment or reassessment is completed under this section,
28 the assessment or reassessment duties of an assessment official in the
29 county are limited to providing the department or a contractor of the
30 department the support and information requested by the department or
31 the contractor.

32 (e) Before assuming the duties of a county's assessment officials, the
33 department shall transmit a copy of the department's order requiring a
34 state conducted assessment or reassessment to the county's assessment
35 officials, the county fiscal body, the county auditor, and the county
36 treasurer. Notice of the department's actions must be published one (1)
37 time in a newspaper of general circulation published in the county. The
38 department is not required to conduct a public hearing before taking
39 action under this section.

40 (f) Township and county officials in a county subject to an order
41 issued under this section shall, at the request of the department or the
42 department's contractor, make available and provide access to all:

43 (1) data;

44 (2) records;

45 (3) maps;

46 (4) parcel record cards;

47 (5) forms;

- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

related to the assessment or reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment or a general reassessment and is subject to IC 6-1.1-37-2.

(g) The department may enter into a contract with a professional appraising firm to conduct an assessment or reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's assessment or reassessment before the department orders a state conducted assessment or reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(h) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (g), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

- (1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(i) The department shall forward a bill for services provided under a contract described in subsection (g) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (j).

(j) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (g), without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;
- (2) obtains from the department:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services have been received and comply with the contract; and
- (3) files with the county auditor:
 - (A) a duplicate copy of the bill submitted to the department;

(B) proof of the department's approval of the form and amount of the bill; and

(C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(k) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

(1) The commissioner of the Indiana department of administration.

(2) The director of the budget agency.

(3) The attorney general.

(l) If money in the county's property reassessment fund is insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the assessment or reassessment.

(m) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall

1 notify the county's assessment officials of the land values determined
2 under this subsection.

3 (n) A contractor of the department may notify the department if:

4 (1) a county auditor fails to:

5 (A) certify the contractor's bill;

6 (B) publish the contractor's claim;

7 (C) submit the contractor's claim to the county executive; or

8 (D) issue a warrant or check for payment of the contractor's
9 bill;

10 as required by subsection (j) at the county auditor's first legal
11 opportunity to do so;

12 (2) a county executive fails to allow the contractor's claim as
13 legally required by subsection (j) at the county executive's first
14 legal opportunity to do so; or

15 (3) a person or an entity authorized to act on behalf of the county
16 takes or fails to take an action, including failure to request an
17 appropriation, and that action or failure to act delays or halts
18 progress under this section for payment of the contractor's bill.

19 (o) The department, upon receiving notice under subsection (n) from
20 a contractor of the department, shall:

21 (1) verify the accuracy of the contractor's assertion in the notice
22 that:

23 (A) a failure occurred as described in subsection (n)(1) or
24 (n)(2); or

25 (B) a person or an entity acted or failed to act as described in
26 subsection (n)(3); and

27 (2) provide to the treasurer of state the department's approval
28 under subsection (j)(2)(A) of the contractor's bill with respect to
29 which the contractor gave notice under subsection (n).

30 (p) Upon receipt of the department's approval of a contractor's bill
31 under subsection (o), the treasurer of state shall pay the contractor the
32 amount of the bill approved by the department from money in the
33 possession of the state that would otherwise be available for distribution
34 to the county, including distributions from the property tax replacement
35 fund or distribution of admissions taxes or wagering taxes.

36 (q) The treasurer of state shall withhold from the money that would
37 be distributed under IC 4-33-12-6, IC 4-33-13-5, ~~IC 6-1.1-21-4(b)~~,
38 **IC 6-10**, or any other law to a county described in a notice provided
39 under subsection (n) the amount of a payment made by the treasurer of
40 state to the contractor of the department under subsection (p). Money
41 shall be withheld first from the money payable to the county under
42 ~~IC 6-1.1-21-4(b)~~ **IC 6-10** and then from all other sources payable to the
43 county.

44 (r) Compliance with subsections (n) through (q) constitutes
45 compliance with IC 5-11-10.

46 (s) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to
47 the payment made in compliance with subsections (n) through (q). This

subsection and subsections (n) through (q) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(t) The provisions of this section are severable as provided in IC 1-1-1-8(b).".

Page 26, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 35. IC 6-1.1-4-35, AS AMENDED BY P.L.88-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 35. (a) This section applies to a county other than a county subject to section 32 of this chapter.

(b) This section applies to a general reassessment of real property conducted under section 4(a) of this chapter that is scheduled to become effective for property taxes first due and payable in 2003.

(c) As used in this section, "department" refers to the department of local government finance.

(d) As used in this section, "reassessment official" means:

- (1) a county assessor; or
- (2) a township assessor.

(e) If:

- (1) the department determines that a county's reassessment officials are unable to complete the reassessment in a timely manner; or
- (2) the department determines that a county's reassessment officials are likely to complete the reassessment in an inaccurate manner;

the department may order a state conducted reassessment in the county. The department may consider a reassessment in a county untimely if the county does not submit the county's equalization study to the department in the manner prescribed under 50 IAC 14 before October 20, 2003. The department may consider the reassessment work of a county's reassessment officials inaccurate if the department determines from a sample of the assessments completed in the county that there is a variance exceeding ten percent (10%) between the total assessed valuation of the real property within the sample and the total assessed valuation that would result if the real property within the sample were valued in the manner provided by law.

(f) If the department orders a state conducted reassessment in a county, the department shall assume the duties of the county's reassessment officials. Notwithstanding sections 15 and 17 of this chapter, a reassessment official in a county subject to an order issued under this section may not assess property or have property assessed for the general reassessment. Until the state conducted reassessment is completed under this section, the reassessment duties of a reassessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(g) Before assuming the duties of a county's reassessment officials, the department shall transmit a copy of the department's order requiring a state conducted reassessment to the county's reassessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. If no newspaper is published in the county, the notice shall be published in a newspaper:

- (1) of general circulation in the county; and
- (2) that is published in an adjacent county.

The department is not required to conduct a public hearing before taking action under this section.

(h) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

related to the reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to a general reassessment and is subject to IC 6-1.1-37-2.

(i) The department may enter into a contract with a professional appraising firm to conduct a reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's reassessment before the department orders a state conducted reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(j) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (i), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment:

- (1) is subject to appeal by the taxpayer under section 37 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 37 of this chapter.

(k) The department shall forward a bill for services provided under a contract described in subsection (i) to the auditor of the county in

1 which the state conducted reassessment occurs. The county shall pay
2 the bill under the procedures prescribed by subsection (l).

3 (l) A county subject to an order issued under this section shall pay
4 the cost of a contract described in subsection (i), without appropriation,
5 from the county's property reassessment fund. A contractor may
6 periodically submit bills for partial payment of work performed under
7 the contract. Notwithstanding any other law, a contractor is entitled to
8 payment under this subsection for work performed under a contract if
9 the contractor:

10 (1) submits to the department a fully itemized, certified bill in the
11 form required by IC 5-11-10-1 for the costs of the work performed
12 under the contract;

13 (2) obtains from the department:

14 (A) approval of the form and amount of the bill; and

15 (B) a certification that the billed goods and services have been
16 received and comply with the contract; and

17 (3) files with the county auditor:

18 (A) a duplicate copy of the bill submitted to the department;

19 (B) proof of the department's approval of the form and amount
20 of the bill; and

21 (C) the department's certification that the billed goods and
22 services have been received and comply with the contract.

23 The department's approval and certification of a bill under subdivision
24 (2) shall be treated as conclusively resolving the merits of a contractor's
25 claim. Upon receipt of the documentation described in subdivision (3),
26 the county auditor shall immediately certify that the bill is true and
27 correct without further audit, publish the claim as required by
28 IC 36-2-6-3, and submit the claim to the county executive. The county
29 executive shall allow the claim, in full, as approved by the department,
30 without further examination of the merits of the claim in a regular or
31 special session that is held not less than three (3) days and not more
32 than seven (7) days after the completion of the publication requirements
33 under IC 36-2-6-3. Upon allowance of the claim by the county
34 executive, the county auditor shall immediately issue a warrant or
35 check for the full amount of the claim approved by the department.
36 Compliance with this subsection constitutes compliance with section
37 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The
38 determination and payment of a claim in compliance with this
39 subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f)
40 and IC 36-2-6-9 do not apply to a claim submitted under this
41 subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a
42 claim in compliance with this subsection.

43 (m) Notwithstanding IC 4-13-2, a period of seven (7) days is
44 permitted for each of the following to review and act under IC 4-13-2
45 on a contract of the department entered into under this section:

46 (1) The commissioner of the Indiana department of administration.

47 (2) The director of the budget agency.

1 (3) The attorney general.

2 (n) If the money in a county's property reassessment fund is
3 insufficient to pay for a reassessment conducted under this section, the
4 department may increase the tax rate and tax levy of the county's
5 property reassessment fund to pay the cost and expenses related to the
6 reassessment.

7 (o) The department or the contractor of the department shall use the
8 land values determined under section 13.6 of this chapter for a county
9 subject to an order issued under this section to the extent that the
10 department or the contractor finds that the land values reflect the true
11 tax value of land, as determined under this article and the rules of the
12 department. If the department or the contractor finds that the land
13 values determined for the county under section 13.6 of this chapter do
14 not reflect the true tax value of land, the department or the contractor
15 shall determine land values for the county that reflect the true tax value
16 of land, as determined under this article and the rules of the department.
17 Land values determined under this subsection shall be used to the same
18 extent as if the land values had been determined under section 13.6 of
19 this chapter. The department or the contractor of the department shall
20 notify the county's reassessment officials of the land values determined
21 under this subsection.

22 (p) A contractor of the department may notify the department if:

23 (1) a county auditor fails to:

24 (A) certify the contractor's bill;

25 (B) publish the contractor's claim;

26 (C) submit the contractor's claim to the county executive; or

27 (D) issue a warrant or check for payment of the contractor's
28 bill;

29 as required by subsection (l) at the county auditor's first legal
30 opportunity to do so;

31 (2) a county executive fails to allow the contractor's claim as
32 legally required by subsection (l) at the county executive's first
33 legal opportunity to do so; or

34 (3) a person or an entity authorized to act on behalf of the county
35 takes or fails to take an action, including failure to request an
36 appropriation, and that action or failure to act delays or halts
37 progress under this section for payment of the contractor's bill.

38 (q) The department, upon receiving notice under subsection (p) from
39 a contractor of the department, shall:

40 (1) verify the accuracy of the contractor's assertion in the notice
41 that:

42 (A) a failure occurred as described in subsection (p)(1) or
43 (p)(2); or

44 (B) a person or an entity acted or failed to act as described in
45 subsection (p)(3); and

46 (2) provide to the treasurer of state the department's approval
47 under subsection (l)(2)(A) of the contractor's bill with respect to

1 which the contractor gave notice under subsection (p).

2 (r) Upon receipt of the department's approval of a contractor's bill
3 under subsection (q), the treasurer of state shall pay the contractor the
4 amount of the bill approved by the department from money in the
5 possession of the state that would otherwise be available for distribution
6 to the county, including distributions from the property tax replacement
7 fund or distribution of admissions taxes or wagering taxes.

8 (s) The treasurer of state shall withhold from the money that would
9 be distributed under IC 4-33-12-6, IC 4-33-13-5, ~~IC 6-1.1-21-4(b)~~
10 **IC 6-10**, or any other law to a county described in a notice provided
11 under subsection (p) the amount of a payment made by the treasurer of
12 state to the contractor of the department under subsection (r). Money
13 shall be withheld first from the money payable to the county under
14 ~~IC 6-1.1-21-4(b)~~ **IC 6-10** and then from all other sources payable to the
15 county.

16 (t) Compliance with subsections (p) through (s) constitutes
17 compliance with IC 5-11-10.

18 (u) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to
19 the payment made in compliance with subsections (p) through (s). This
20 subsection and subsections (p) through (s) must be interpreted liberally
21 so that the state shall, to the extent legally valid, ensure that the
22 contractual obligations of a county subject to this section are paid.
23 Nothing in this section shall be construed to create a debt of the state.

24 (v) The provisions of this section are severable as provided in
25 IC 1-1-1-8(b).

26 (w) This section expires January 1, 2007."

27 Page 45, between lines 6 and 7, begin a new paragraph and insert:

28 "SECTION 62. IC 6-1.1-12-37 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 37. (a) Each year
30 a person who is entitled to receive the homestead credit provided under
31 ~~IC 6-1.1-20-9~~ **IC 6-10-4** for property taxes payable in the following
32 year is entitled to a standard deduction from the assessed value of the
33 real property, mobile home not assessed as real property, or
34 manufactured home not assessed as real property that qualifies for the
35 homestead credit. The auditor of the county shall record and make the
36 deduction for the person qualifying for the deduction.

37 (b) Except as provided in section 40.5 of this chapter, the total
38 amount of the deduction that a person may receive under this section
39 for a particular year is the lesser of:

- 40 (1) one-half (1/2) of the assessed value of the real property,
41 mobile home not assessed as real property, or manufactured home
42 not assessed as real property; or
- 43 (2) thirty-five thousand dollars (\$35,000).

44 (c) A person who has sold real property, a mobile home not assessed
45 as real property, or a manufactured home not assessed as real property
46 to another person under a contract that provides that the contract buyer
47 is to pay the property taxes on the real property, mobile home, or

1 manufactured home may not claim the deduction provided under this
 2 section with respect to that real property, mobile home, or
 3 manufactured home."

4 Page 48, between lines 4 and 5, begin a new paragraph and insert:

5 "SECTION 65. IC 6-1.1-12-43 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 43. (a) For
 7 purposes of this section:

8 (1) "benefit" refers to:

9 (A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29,
 10 31, 33, or 34 of this chapter; or

11 (B) the homestead credit under ~~IC 6-1.1-20.9-2~~; **IC 6-10-4**;

12 (2) "closing agent" means a person that closes a transaction;

13 (3) "customer" means an individual who obtains a loan in a
 14 transaction; and

15 (4) "transaction" means a single family residential:

16 (A) first lien purchase money mortgage transaction; or

17 (B) refinancing transaction.

18 (b) Before closing a transaction after December 31, 2004, a closing
 19 agent must provide to the customer the form referred to in subsection
 20 (c).

21 (c) Before June 1, 2004, the department of local government finance
 22 shall prescribe the form to be provided by closing agents to customers
 23 under subsection (b). The department shall make the form available to
 24 closing agents, county assessors, county auditors, and county treasurers
 25 in hard copy and electronic form. County assessors, county auditors,
 26 and county treasurers shall make the form available to the general
 27 public. The form must:

28 (1) on one (1) side:

29 (A) list each benefit;

30 (B) list the eligibility criteria for each benefit; and

31 (C) indicate that a new application for a deduction under
 32 section 1 of this chapter is required when residential real
 33 property is refinanced;

34 (2) on the other side indicate:

35 (A) each action by; and

36 (B) each type of documentation from;

37 the customer required to file for each benefit; and

38 (3) be printed in one (1) of two (2) or more colors prescribed by
 39 the department of local government finance that distinguish the
 40 form from other documents typically used in a closing referred to
 41 in subsection (b).

42 (d) A closing agent:

43 (1) may reproduce the form referred to in subsection (c);

44 (2) in reproducing the form, must use a print color prescribed by
 45 the department of local government finance; and

46 (3) is not responsible for the content of the form referred to in
 47 subsection (c) and shall be held harmless by the department of

1 local government finance from any liability for the content of the
2 form.

3 (e) A closing agent to which this section applies shall document its
4 compliance with this section with respect to each transaction in the
5 form of verification of compliance signed by the customer.

6 (f) A closing agent is subject to a civil penalty of twenty-five dollars
7 (\$25) for each instance in which the closing agent fails to comply with
8 this section with respect to a customer. The penalty:

9 (1) may be enforced by the state agency that has administrative
10 jurisdiction over the closing agent in the same manner that the
11 agency enforces the payment of fees or other penalties payable to
12 the agency; and

13 (2) shall be paid into the property tax replacement fund.

14 A closing agent is not liable for any other damages claimed by a
15 customer because of the closing agent's mere failure to provide the
16 appropriate document to the customer.

17 (g) The state agency that has administrative jurisdiction over a
18 closing agent shall:

19 (1) examine the closing agent to determine compliance with this
20 section; and

21 (2) impose and collect penalties under subsection (f)."

22 Page 90, between lines 3 and 4, begin a new paragraph and insert:

23 "SECTION 98. IC 6-1.1-20.4-1, AS ADDED BY P.L.246-2005,
24 SECTION 61, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JANUARY 1, 2007]: Sec. 1. As used in this chapter,
26 "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2-**
27 **16.**

28 SECTION 99. IC 6-1.1-20.4-4, AS ADDED BY P.L.246-2005,
29 SECTION 61, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) A political subdivision
31 may adopt an ordinance or resolution each year to provide for the use
32 of revenue for the purpose of providing a homestead credit the
33 following year to homesteads. An ordinance must be adopted under this
34 section before December 31 for credits to be provided in the following
35 year. The ordinance applies only to the immediately following year.

36 (b) A homestead credit under this chapter is to be applied to the net
37 property tax liability due on the homestead.

38 (c) A homestead credit under this chapter does not reduce the basis
39 for determining the state property tax replacement credit under
40 IC 6-1.1-21 or the ~~state~~ homestead credit under ~~IC 6-1.1-20.9-~~
41 **IC 6-10-4.**

42 SECTION 100. IC 6-1.1-20.6-2, AS ADDED BY P.L.246-2005,
43 SECTION 62, IS AMENDED TO READ AS FOLLOWS
44 [EFFECTIVE JANUARY 1, 2007]: Sec. 2. As used in this chapter,
45 "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2-**
46 **16."**

47 Page 99, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 103. IC 6-1.1-21.2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. (a) Not later than September 1 of a year in which a general reassessment does not become effective, the governing body shall estimate the tax increment replacement amount for each allocation area under the jurisdiction of the governing body for the next calendar year. In a year in which a general reassessment becomes effective, the department of local government finance may extend the deadline under this subsection by giving written notice to the governing body before the deadline.

(b) The tax increment replacement amount is the amount determined in STEP THREE of the following formula:

STEP ONE: The governing body shall estimate the amount of tax increment revenues it would receive in the next calendar year if the property tax replacement credits payable with respect to the general fund levies imposed by all school corporations with jurisdiction in the allocation area were determined under ~~IC 6-1.1-21~~ **IC 6-10-3** as in effect on January 1, 2001.

STEP TWO: The governing body shall estimate the amount of tax increment revenues it will receive in the next calendar year after implementation of the increase in the property tax credits payable under ~~IC 6-1.1-21~~, **IC 6-10-3** as amended by the general assembly in 2002, with respect to general fund levies imposed by all school corporations with jurisdiction in the allocation area.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

SECTION 104. IC 6-1.1-21.2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 14. (a) The department of local government finance shall approve an appeal filed under section 13 of this chapter if the department determines that:

(1) the governing body's estimate of the tax replacement amount under section 11 of this chapter is reasonable;

(2) a tax levy in excess of the amount determined under section 12(d) of this chapter would:

(A) create a significant financial hardship on taxpayers residing in the district in which the governing body exercises jurisdiction;

(B) significantly reduce the benefits from the increase in the property tax credits payable under ~~IC 6-1.1-21~~, **IC 6-10-3** as amended by the general assembly in 2002, with respect to general fund levies imposed by all school corporations with jurisdiction in the district; or

(C) have a disproportionate impact on small businesses or low income families or individuals; and

(3) the governing body has made reasonable efforts to limit its use of the special fund for the allocation area to appropriations for payments of:

(A) the principal and interest on loans or bonds;

- (B) lease rentals on leases;
- (C) amounts due on other contractual obligations; and
- (D) additional credits described in IC 8-22-3.5-10(a),
IC 36-7-14-39.5(c), IC 36-7-14.5-12.5(d)(5),
IC 36-7-15.1-26.5(e), IC 36-7-15.1-35(d), or
IC 36-7-30-25(b)(2)(E).

(b) In a year in which a general reassessment does not become effective, the department of local government finance shall make a final determination on an appeal filed under this section by December 1 of the year. In a year in which a general reassessment becomes effective, the department may extend the deadline under this subsection by giving written notice to the appellant before the deadline.

(c) If the department approves an appeal filed under this section, it shall order a distribution from the property tax replacement fund in the amount determined under section 13(b) of this chapter in the same manner as distributions are made under ~~IC 6-1.1-21-4~~, **IC 6-10-7**.

(d) If the department denies an appeal filed under section 13 of this chapter, or does not grant the maximum permissible distribution under section 13(b) of this chapter, the legislative body of the unit that established the district may increase the levy imposed under this chapter to an amount that, when combined with any distribution received under this chapter, does not exceed the tax increment replacement amount.

SECTION 105. IC 6-1.1-21.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) The receipt by the qualified taxing unit of the loan proceeds is not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by the qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.

(b) The loan proceeds and any payment of delinquent tax may be expended by the qualified taxing unit only to pay debts of the qualified taxing unit that have been incurred pursuant to duly adopted appropriations approved by the department of local government finance for operating expenses.

(c) In the event the sum of the receipts of the qualified taxing unit that are attributable to:

- (1) the loan proceeds; and
- (2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and payable in 2001; exceeds sixteen million dollars (\$16,000,000), the excess as received during any calendar year or years shall be set aside and treated for the

calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of property taxes as provided in subdivision (2), the amount of property tax credit finally allowed under ~~IC 6-1.1-21-5~~ **IC 6-10-3** in respect to such taxes is deemed to be a payment of such property taxes.

(d) As used in this section, "delinquent tax" means any tax owed by a taxpayer in a bankruptcy proceeding initially filed in 2000 and that is not paid during the calendar year for which it was first due and payable.

SECTION 106. IC 6-1.1-21.7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. Loan proceeds shall be distributed to a taxing unit either on the same schedule as **certified** property tax replacement ~~credits~~ **distributions** are distributed under ~~IC 6-1.1-21~~ **IC 6-10-7** or another schedule to which both the board and the taxing unit agree.

SECTION 107. IC 6-1.1-21.8-6, AS AMENDED BY P.L.4-2005, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) As used in this section, "delinquent tax" means any tax:

(1) owed by a taxpayer in a bankruptcy proceeding initially filed in 2001; and

(2) not paid during the calendar year in which it was first due and payable.

(b) Except as provided in subsection (d), the proceeds of a loan received by the qualified taxing unit under this chapter are not considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7. The receipt by a qualified taxing unit of any payment of delinquent tax owed by a taxpayer in bankruptcy is considered to be part of the ad valorem property tax levy actually collected by the qualified taxing unit for taxes first due and payable during a particular calendar year for the purpose of calculating the levy excess under IC 6-1.1-18.5-17 and IC 6-1.1-19-1.7.

(c) The proceeds of a loan made under this chapter must first be used to retire any outstanding loans made by the department of commerce (including any loans made by the department of commerce that are transferred to the Indiana economic development corporation) to cover a qualified taxing unit's revenue shortfall resulting from the taxpayer's default on property tax payments. Any remaining proceeds of a loan made under this chapter and any payment of delinquent taxes by the taxpayer may be expended by the qualified taxing unit only to pay obligations of the qualified taxing unit that have been incurred under appropriations for operating expenses made by the qualified taxing unit and approved by the department of local government finance.

(d) If the sum of the receipts of a qualified taxing unit that are attributable to:

(1) the loan proceeds; and

(2) the payment of property taxes owed by a taxpayer in a bankruptcy proceeding and payable in November 2001, May 2002, or November 2002;

exceeds the sum of the taxpayer's property tax liability attributable to the qualified taxing unit for property taxes payable in November 2001, May 2002, and November 2002, the excess as received during any calendar year or years shall be set aside and treated for the calendar year when received as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. In calculating the payment of property taxes as referred to in subdivision (2), the amount of property tax credit finally allowed under ~~IC 6-1.1-21-5~~ **IC 6-10-3** in respect to those taxes is considered to be a payment of those property taxes."

Page 105, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 109. IC 6-1.1-22-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9.5. (a) This section applies only to property taxes first due and payable in a year that begins after December 31, 2003:

(1) with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~ **IC 6-10-2-16**); and

(2) that are not payable in one (1) installment under section 9(b) of this chapter.

(b) At any time before the mailing or transmission of tax statements for a year under section 8 of this chapter, a county may petition the department of local government finance to establish a schedule of installments for the payment of property taxes with respect to:

(1) real property that are based on the assessment of the property in the immediately preceding year; or

(2) a mobile home or manufactured home that is not assessed as real property that are based on the assessment of the property in the current year.

The county fiscal body (as defined in IC 36-1-2-6), the county auditor, and the county treasurer must approve a petition under this subsection.

(c) The department of local government finance:

(1) may not establish a date for:

(A) an installment payment that is earlier than May 10 of the year in which the tax statement is mailed or transmitted;

(B) the first installment payment that is later than November 10 of the year in which the tax statement is mailed or transmitted; or

(C) the last installment payment that is later than May 10 of the year immediately following the year in which the tax statement is mailed or transmitted; and

(2) shall:

(A) prescribe the form of the petition under subsection (b);

(B) determine the information required on the form; and

(C) notify the county fiscal body, the county auditor, and the county treasurer of the department's determination on the petition not later than twenty (20) days after receiving the petition.

(d) Revenue from property taxes paid under this section in the year immediately following the year in which the tax statement is mailed or transmitted under section 8 of this chapter:

(1) is not considered in the determination of a levy excess under IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 for the year in which the property taxes are paid; and

(2) may be:

(A) used to repay temporary loans entered into by a political subdivision for; and

(B) expended for any other reason by a political subdivision in the year the revenue is received under an appropriation from; the year in which the tax statement is mailed or transmitted under section 8 of this chapter."

Page 129, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 18. IC 6-1.1-37-10.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10.5. (a) This section applies only to property taxes first due and payable in 2004 with respect to a homestead (as defined in ~~IC 6-1.1-20-9~~ **IC 6-10-2**).

(b) A county may petition the department of local government finance to waive all or part of the penalty imposed under section 10(a) of this chapter. The county fiscal body (as defined in IC 36-1-2-6), the county auditor, and the county treasurer must approve a petition under this subsection.

(c) The department of local government finance shall:

(1) prescribe the form of the petition under subsection (b);

(2) determine the information required on the form; and

(3) notify the county fiscal body, the county auditor, and the county treasurer of the department's determination on the petition not later than thirty (30) days after receipt of the petition.

SECTION 19. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

- 1 (A) the assessed value of the property for the assessment date
 2 with respect to which the allocation and distribution is made;
 3 or
 4 (B) the base assessed value;
- 5 shall be allocated to and, when collected, paid into the funds of
 6 the respective taxing units. However, if the effective date of the
 7 allocation provision of a declaratory ordinance is after March 1,
 8 1985, and before January 1, 1986, and if an improvement to
 9 property was partially completed on March 1, 1985, the unit may
 10 provide in the declaratory ordinance that the taxes attributable to
 11 the assessed value of the property as finally determined for March
 12 1, 1984, shall be allocated to and, when collected, paid into the
 13 funds of the respective taxing units.
- 14 (2) Except as otherwise provided in this section, part or all of the
 15 property tax proceeds in excess of those described in subdivision
 16 (1), as specified in the declaratory ordinance, shall be allocated to
 17 the unit for the economic development district and, when
 18 collected, paid into a special fund established by the unit for that
 19 economic development district that may be used only to pay the
 20 principal of and interest on obligations owed by the unit under
 21 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of
 22 industrial development programs in, or serving, that economic
 23 development district. The amount not paid into the special fund
 24 shall be paid to the respective units in the manner prescribed by
 25 subdivision (1).
- 26 (3) When the money in the fund is sufficient to pay all outstanding
 27 principal of and interest (to the earliest date on which the
 28 obligations can be redeemed) on obligations owed by the unit
 29 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing
 30 of industrial development programs in, or serving, that economic
 31 development district, money in the special fund in excess of that
 32 amount shall be paid to the respective taxing units in the manner
 33 prescribed by subdivision (1).
- 34 (b) Property tax proceeds allocable to the economic development
 35 district under subsection (a)(2) must, subject to subsection (a)(3), be
 36 irrevocably pledged by the unit for payment as set forth in subsection
 37 (a)(2).
- 38 (c) For the purpose of allocating taxes levied by or for any taxing
 39 unit or units, the assessed value of taxable property in a territory in the
 40 economic development district that is annexed by any taxing unit after
 41 the effective date of the allocation provision of the declaratory
 42 ordinance is the lesser of:
- 43 (1) the assessed value of the property for the assessment date with
 44 respect to which the allocation and distribution is made; or
 45 (2) the base assessed value.
- 46 (d) Notwithstanding any other law, each assessor shall, upon petition
 47 of the fiscal body, reassess the taxable property situated upon or in, or

1 added to, the economic development district effective on the next
2 assessment date after the petition.

3 (e) Notwithstanding any other law, the assessed value of all taxable
4 property in the economic development district, for purposes of tax
5 limitation, property tax replacement (except as provided in
6 IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and
7 formulation of the budget, tax rate, and tax levy for each political
8 subdivision in which the property is located is the lesser of:

9 (1) the assessed value of the property as valued without regard to
10 this section; or

11 (2) the base assessed value.

12 (f) The state board of accounts and department of local government
13 finance shall make the rules and prescribe the forms and procedures that
14 they consider expedient for the implementation of this chapter. After
15 each general reassessment under IC 6-1.1-4, the department of local
16 government finance shall adjust the base assessed value one (1) time to
17 neutralize any effect of the general reassessment on the property tax
18 proceeds allocated to the district under this section. However, the
19 adjustment may not include the effect of property tax abatements under
20 IC 6-1.1-12.1.

21 (g) As used in this section, "property taxes" means:

22 (1) taxes imposed under this article on real property; and

23 (2) any part of the taxes imposed under this article on depreciable
24 personal property that the unit has by ordinance allocated to the
25 economic development district. However, the ordinance may not
26 limit the allocation to taxes on depreciable personal property with
27 any particular useful life or lives.

28 If a unit had, by ordinance adopted before May 8, 1987, allocated to an
29 economic development district property taxes imposed under IC 6-1.1
30 on depreciable personal property that has a useful life in excess of eight
31 (8) years, the ordinance continues in effect until an ordinance is
32 adopted by the unit under subdivision (2).

33 (h) As used in this section, "base assessed value" means:

34 (1) the net assessed value of all the property as finally determined
35 for the assessment date immediately preceding the effective date
36 of the allocation provision of the declaratory resolution, as
37 adjusted under subsection (f); plus

38 (2) to the extent that it is not included in subdivision (1), the net
39 assessed value of property that is assessed as residential property
40 under the rules of the department of local government finance, as
41 finally determined for any assessment date after the effective date
42 of the allocation provision.

43 Subdivision (2) applies only to economic development districts
44 established after June 30, 1997, and to additional areas established after
45 June 30, 1997.

46 SECTION 20. IC 6-1.1-39-6 IS AMENDED TO READ AS
47 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) An

economic development district may be enlarged by the fiscal body by following the same procedure for the creation of an economic development district specified in this chapter. Property taxes that are attributable to the additional area and allocable to the economic development district are not eligible for the property tax replacement credit provided by ~~IC 6-1.1-21-5~~ **IC 6-10-3**. However, subject to subsection (c) and except as provided in subsection (f), each taxpayer in an additional area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (f), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district in a county that contains all or part of the additional area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A)~~ and ~~IC 6-1.1-21-2(g)(2)~~ **IC 6-10-3** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that would have been allocated to a special fund under section 5 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the economic development district and paid into a special fund under section 5(a) of this chapter.

(b) If the additional credit under subsection (a) is not reduced under subsection (c) or (d), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

(1) does not apply in a specified additional area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified additional area.

(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to deny the additional credit or reduce the additional credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. An ordinance adopted under subsection (c) denies or reduces the additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) first due and payable in any year following the year in which the ordinance is adopted.

(e) An ordinance adopted under subsection (c) remains in effect until the ordinance is rescinded by the body that originally adopted the ordinance. However, an ordinance may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If an ordinance is rescinded and no other ordinance is adopted, the additional credit described in subsection (a) applies to taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) first due and payable in each year following the year in which the resolution is rescinded.

(f) This subsection applies to an additional area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20.9-1~~ **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an additional area is entitled to an additional credit under subsection (a) for the taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**).".

Page 142, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 21. IC 6-2.5-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

(b) The department shall deposit those collections in the following manner:

~~(1) Fifty percent (50%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21-~~

~~(2) (1) Forty-nine~~ **Ninety-nine** and one hundred ninety-two thousandths percent ~~(49.192%)~~ **(99.192%)** of the collections shall be paid into the state general fund.

~~(3) (2)~~ Six hundred thirty-five thousandths of one percent (0.635%) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

~~(4) (3)~~ Thirty-three thousandths of one percent (0.033%) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

~~(5) (4)~~ Fourteen-hundredths of one percent (0.14%) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 22. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) Each taxable year, a tax at the rate of ~~three and four-tenths~~ **two and five hundredths** percent ~~(3.4%)~~ **(2.05%)** of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person.

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the rate of eight and five-tenths percent (8.5%) of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation.

SECTION 23. IC 6-3-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. ~~(a)~~ All revenues derived from collection of the adjusted gross income tax ~~imposed on corporations~~ shall be deposited in the state general fund.

~~(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited as follows:~~

~~(1) Eighty-six percent (86%) in the state general fund:~~

~~(2) Fourteen percent (14%) in the property tax replacement fund:~~

SECTION 24. IC 6-3.1-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. As used in this chapter, "homestead" has the meaning set forth in ~~IC 6-1.1-20.9-1.~~ **IC 6-10-2.**

SECTION 25. IC 6-3.5-6-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 13. (a) A county income tax council of a county in which the county option income tax is in effect may adopt an ordinance to increase the percentage credit allowed for homesteads in its county under IC 6-1.1-20.9-2.

(b) A county income tax council may not increase the percentage credit allowed for homesteads by an amount that exceeds the amount determined in the last STEP of the following formula:

STEP ONE: Determine the amount of the sum of all property tax levies for all taxing units in a county which are to be paid in the county in 2003 as reflected by the auditor's abstract for the 2002 assessment year, adjusted, however, for any postabstract

adjustments which change the amount of the levies.

STEP TWO: Determine the amount of the county's estimated property tax replacement under IC 6-1.1-21-3(a) for property taxes first due and payable in 2003.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the amount of the county's total county levy (as defined in ~~IC 6-1.1-21-2(g)~~ **IC 6-10-2**) for property taxes first due and payable in 2003.

STEP FIVE: Subtract the STEP FOUR amount from the STEP ONE amount.

STEP SIX: Subtract the STEP FIVE result from the STEP THREE result.

STEP SEVEN: Divide the STEP THREE result by the STEP SIX result.

STEP EIGHT: Multiply the STEP SEVEN result by eight-hundredths (0.08).

STEP NINE: Round the STEP EIGHT product to the nearest one-thousandth (0.001) and express the result as a percentage.

(c) The increase of the homestead credit percentage must be uniform for all homesteads in a county.

(d) In the ordinance that increases the homestead credit percentage, a county income tax council may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after January 1 but before June 1 of a calendar year.

(f) An ordinance adopted under this section takes effect on January 1 of the next succeeding calendar year.

(g) Any ordinance adopted under this section for a county is repealed for a year if on January 1 of that year the county option income tax is not in effect."

Page 145, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 26. IC 6-3.5-7-5, AS AMENDED BY P.L.214-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1)

1 or (2).

2 To impose the county economic development income tax, a county
3 income tax council shall use the procedures set forth in IC 6-3.5-6
4 concerning the imposition of the county option income tax.

5 (b) Except as provided in subsections (c), (g), (k), (p), and (r) the
6 county economic development income tax may be imposed at a rate of:

- 7 (1) one-tenth percent (0.1%);
- 8 (2) two-tenths percent (0.2%);
- 9 (3) twenty-five hundredths percent (0.25%);
- 10 (4) three-tenths percent (0.3%);
- 11 (5) thirty-five hundredths percent (0.35%);
- 12 (6) four-tenths percent (0.4%);
- 13 (7) forty-five hundredths percent (0.45%); or
- 14 (8) five-tenths percent (0.5%);

15 on the adjusted gross income of county taxpayers.

16 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
17 (p), or (s), the county economic development income tax rate plus the
18 county adjusted gross income tax rate, if any, that are in effect on
19 January 1 of a year may not exceed one and twenty-five hundredths
20 percent (1.25%). Except as provided in subsection (g), (p), (r), or (t),
21 the county economic development tax rate plus the county option
22 income tax rate, if any, that are in effect on January 1 of a year may not
23 exceed one percent (1%).

24 (d) To impose, increase, decrease, or rescind the county economic
25 development income tax, the appropriate body must, after January 1 but
26 before April 1 of a year, adopt an ordinance. The ordinance to impose
27 the tax must substantially state the following:

28 "The _____ County _____ imposes the county economic
29 development income tax on the county taxpayers of _____
30 County. The county economic development income tax is imposed at
31 a rate of _____ percent (____%) on the county taxpayers of the
32 county. This tax takes effect July 1 of this year."

33 (e) Any ordinance adopted under this chapter takes effect July 1 of
34 the year the ordinance is adopted.

35 (f) The auditor of a county shall record all votes taken on ordinances
36 presented for a vote under the authority of this chapter and shall, not
37 more than ten (10) days after the vote, send a certified copy of the
38 results to the commissioner of the department by certified mail.

39 (g) This subsection applies to a county having a population of more
40 than one hundred forty-eight thousand (148,000) but less than one
41 hundred seventy thousand (170,000). Except as provided in subsection
42 (p), in addition to the rates permitted by subsection (b), the:

- 43 (1) county economic development income tax may be imposed at
44 a rate of:
- 45 (A) fifteen-hundredths percent (0.15%);
- 46 (B) two-tenths percent (0.2%); or
- 47 (C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900); except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in ~~IC 6-1.1-20.9-1~~) **IC 6-10-2**) resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution

1 must be used for the purpose provided in section 25(e) or 26 of this
 2 chapter to the extent that the certified distribution results from the
 3 difference between:

- 4 (1) the actual county economic development tax rate; and
- 5 (2) the maximum rate that would otherwise apply under this
 6 section.

7 (r) This subsection applies only to a county described in section 27
 8 of this chapter. Except as provided in subsection (p), in addition to the
 9 rates permitted by subsection (b), the:

- 10 (1) county economic development income tax may be imposed at
 11 a rate of twenty-five hundredths percent (0.25%); and
- 12 (2) county economic development income tax rate plus the county
 13 option income tax rate that are in effect on January 1 of a year
 14 may equal up to one and twenty-five hundredths percent (1.25%);
 15 if the county council makes a determination to impose rates under this
 16 subsection and section 27 of this chapter.

17 (s) Except as provided in subsection (p), the county economic
 18 development income tax rate plus the county adjusted gross income tax
 19 rate that are in effect on January 1 of a year may not exceed one and
 20 five-tenths percent (1.5%) if the county has imposed the county
 21 adjusted gross income tax under IC 6-3.5-1.1-3.3.

22 (t) This subsection applies to Howard County. Except as provided
 23 in subsection (p), the sum of the county economic development income
 24 tax rate and the county option income tax rate that are in effect on
 25 January 1 of a year may not exceed one and twenty-five hundredths
 26 percent (1.25%).

27 SECTION 27. IC 6-3.5-7-13.1, AS AMENDED BY P.L.118-2005,
 28 SECTION 2, AND AS AMENDED BY P.L.214-2005, SECTION 21,
 29 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JANUARY 1, 2007]: Sec. 13.1. (a) The fiscal officer of
 31 each county, city, or town for a county in which the county economic
 32 development tax is imposed shall establish an economic development
 33 income tax fund. Except as provided in sections 23, 25, 26, and 27 of
 34 this chapter, the revenue received by a county, city, or town under this
 35 chapter shall be deposited in the unit's economic development income
 36 tax fund.

37 (b) Except as provided in sections 15, 23, 25, 26, and 27 of this
 38 chapter, revenues from the county economic development income tax
 39 may be used as follows:

- 40 (1) By a county, city, or town for economic development projects,
 41 for paying, notwithstanding any other law, under a written
 42 agreement all or a part of the interest owed by a private developer
 43 or user on a loan extended by a financial institution or other lender
 44 to the developer or user if the proceeds of the loan are or are to be
 45 used to finance an economic development project, for the
 46 retirement of bonds under section 14 of this chapter for economic
 47 development projects, for leases under section 21 of this chapter,

or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

~~(3)~~ (4) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year

from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision ~~(4)~~ **(5)**.

~~(4)~~ **(5)** This subdivision applies only in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-10-2** apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision ~~(3)~~ **(4)** that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under this subdivision. The following apply to additional homestead credits provided under this subdivision:

(A) The additional homestead credits must be applied uniformly to increase the homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4** for homesteads in the county, city, or town.

(B) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3** or the state homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4**.

(C) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

~~(5)~~ **(6)** This subdivision applies only in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). Except as otherwise provided, the procedures and definitions in ~~IC 6-1.1-20.9~~ **IC 6-10-2** apply to this subdivision. A county or a city or town in the county may use county economic development income tax revenue to provide additional homestead credits in the county, city, or town. The following apply to additional homestead credits provided under this subdivision:

(A) The county, city, or town fiscal body must adopt an ordinance authorizing the additional homestead credits. The ordinance must:

- 1 (i) be adopted before September 1 of a year to apply to
 2 property taxes first due and payable in the following year;
 3 and
 4 (ii) specify the amount of county economic development
 5 income tax revenue that will be used to provide additional
 6 homestead credits in the following year.
- 7 (B) A county, city, or town fiscal body that adopts an
 8 ordinance under this subdivision must forward a copy of the
 9 ordinance to the county auditor and the department of local
 10 government finance not more than thirty (30) days after the
 11 ordinance is adopted.
- 12 (C) The additional homestead credits must be applied
 13 uniformly to increase the homestead credit under
 14 ~~IC 6-1.1-20.9~~ **IC 6-10-4** for homesteads in the county, city, or
 15 town.
- 16 (D) The additional homestead credits shall be treated for all
 17 purposes as property tax levies. The additional homestead
 18 credits do not reduce the basis for determining the ~~state~~
 19 property tax replacement credit under ~~IC 6-1.1-21~~ **IC 6-10-3**
 20 or the ~~state~~ homestead credit under ~~IC 6-1.1-20.9~~ **IC 6-10-4**.
- 21 (E) The additional homestead credits shall be applied to the
 22 net property taxes due on the homestead after the application
 23 of all other assessed value deductions or property tax
 24 deductions and credits that apply to the amount owed under
 25 IC 6-1.1.
- 26 (F) The department of local government finance shall
 27 determine the additional homestead credit percentage for a
 28 particular year based on the amount of county economic
 29 development income tax revenue that will be used under this
 30 subdivision to provide additional homestead credits in that
 31 year.
- 32 (c) As used in this section, an economic development project is any
 33 project that:
- 34 (1) the county, city, or town determines will:
- 35 (A) promote significant opportunities for the gainful
 36 employment of its citizens;
 37 (B) attract a major new business enterprise to the unit; or
 38 (C) retain or expand a significant business enterprise within the
 39 unit; and
- 40 (2) involves an expenditure for:
- 41 (A) the acquisition of land;
 42 (B) interests in land;
 43 (C) site improvements;
 44 (D) infrastructure improvements;
 45 (E) buildings;
 46 (F) structures;
 47 (G) rehabilitation, renovation, and enlargement of buildings

1 and structures;
 2 (H) machinery;
 3 (I) equipment;
 4 (J) furnishings;
 5 (K) facilities;
 6 (L) administrative expenses associated with such a project,
 7 including contract payments authorized under subsection
 8 (b)(2)(D);
 9 (M) operating expenses authorized under subsection (b)(2)(E);
 10 or
 11 (N) to the extent not otherwise allowed under this chapter,
 12 substance removal or remedial action in a designated unit;
 13 or any combination of these.

14 *(d) If there are bonds outstanding that have been issued under*
 15 *section 14 of this chapter or leases in effect under section 21 of this*
 16 *chapter, a county, city, or town may not expend money from its*
 17 *economic development income tax fund for a purpose authorized under*
 18 *subsection (b)(3) in a manner that would adversely affect owners of the*
 19 *outstanding bonds or payment of any lease rentals due.*

20 SECTION 28. IC 6-3.5-7-23 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 23. (a) This
 22 section applies only to a county having a population of more than
 23 fifty-five thousand (55,000) but less than sixty-five thousand (65,000).

24 (b) The county council may by ordinance determine that, in order to
 25 promote the development of libraries in the county and thereby
 26 encourage economic development, it is necessary to use economic
 27 development income tax revenue to replace library property taxes in the
 28 county. However, a county council may adopt an ordinance under this
 29 subsection only if all territory in the county is included in a library
 30 district.

31 (c) If the county council makes a determination under subsection (b),
 32 the county council may designate the county economic development
 33 income tax revenue generated by the tax rate adopted under section 5
 34 of this chapter, or revenue generated by a portion of the tax rate, as
 35 revenue that will be used to replace public library property taxes
 36 imposed by public libraries in the county. The county council may not
 37 designate for library property tax replacement purposes any county
 38 economic development income tax revenue that is generated by a tax
 39 rate of more than fifteen-hundredths percent (0.15%).

40 (d) The county treasurer shall establish a library property tax
 41 replacement fund to be used only for the purposes described in this
 42 section. County economic development income tax revenues derived
 43 from the portion of the tax rate designated for property tax replacement
 44 credits under subsection (c) shall be deposited in the library property
 45 tax replacement fund before certified distributions are made under
 46 section 12 of this chapter. Any interest earned on money in the library
 47 property tax replacement fund shall be credited to the library property

1 tax replacement fund.

2 (e) The amount of county economic development income tax
3 revenue dedicated to providing library property tax replacement credits
4 shall, in the manner prescribed in this section, be allocated to public
5 libraries operating in the county and shall be used by those public
6 libraries as property tax replacement credits. The amount of property
7 tax replacement credits that each public library in the county is entitled
8 to receive during a calendar year under this section equals the lesser of:

9 (1) the product of:

10 (A) the amount of revenue deposited by the county auditor in
11 the library property tax replacement fund; multiplied by

12 (B) a fraction described as follows:

13 (i) The numerator of the fraction equals the sum of the total
14 property taxes that would have been collected by the public
15 library during the previous calendar year from taxpayers
16 located within the library district if the property tax
17 replacement under this section had not been in effect.

18 (ii) The denominator of the fraction equals the sum of the
19 total property taxes that would have been collected during
20 the previous year from taxpayers located within the county
21 by all public libraries that are eligible to receive property tax
22 replacement credits under this section if the property tax
23 replacement under this section had not been in effect; or

24 (2) the total property taxes that would otherwise be collected by
25 the public library for the calendar year if the property tax
26 replacement credit under this section were not in effect.

27 The department of local government finance shall make any
28 adjustments necessary to account for the expansion of a library district.
29 However, a public library is eligible to receive property tax replacement
30 credits under this section only if it has entered into reciprocal
31 borrowing agreements with all other public libraries in the county. If
32 the total amount of county economic development income tax revenue
33 deposited by the county auditor in the library property tax replacement
34 fund for a calendar year exceeds the total property tax liability that
35 would otherwise be imposed for public libraries in the county for the
36 year, the excess shall remain in the library property tax replacement
37 fund and shall be used for library property tax replacement purposes in
38 the following calendar year.

39 (f) Notwithstanding subsection (e), if a public library did not impose
40 a property tax levy during the previous calendar year, that public library
41 is entitled to receive a part of the property tax replacement credits to be
42 distributed for the calendar year. The amount of property tax
43 replacement credits the public library is entitled to receive during the
44 calendar year equals the product of:

45 (1) the amount of revenue deposited in the library property tax
46 replacement fund; multiplied by

47 (2) a fraction. The numerator of the fraction equals the budget of

1 the public library for that calendar year. The denominator of the
 2 fraction equals the aggregate budgets of public libraries in the
 3 county for that calendar year.

4 If for a calendar year a public library is allocated a part of the property
 5 tax replacement credits under this subsection, then the amount of
 6 property tax credits distributed to other public libraries in the county for
 7 the calendar year shall be reduced by the amount to be distributed as
 8 property tax replacement credits under this subsection. The department
 9 of local government finance shall make any adjustments required by
 10 this subsection and provide the adjustments to the county auditor.

11 (g) The department of local government finance shall inform the
 12 county auditor of the amount of property tax replacement credits that
 13 each public library in the county is entitled to receive under this section.
 14 The county auditor shall certify to each public library the amount of
 15 property tax replacement credits that the public library is entitled to
 16 receive during that calendar year. The county auditor shall also certify
 17 these amounts to the county treasurer.

18 (h) A public library receiving property tax replacement credits under
 19 this section shall allocate the credits among each fund for which a
 20 distinct property tax levy is imposed. The amount that must be allocated
 21 to each fund equals:

22 (1) the amount of property tax replacement credits provided to the
 23 public library under this section; multiplied by

24 (2) the amount determined in STEP THREE of the following
 25 formula:

26 STEP ONE: Determine the property taxes that would have
 27 been collected for each fund by the public library during the
 28 previous calendar year if the property tax replacement under
 29 this section had not been in effect.

30 STEP TWO: Determine the sum of the total property taxes that
 31 would have been collected for all funds by the public library
 32 during the previous calendar year if the property tax
 33 replacement under this section had not been in effect.

34 STEP THREE: Divide the STEP ONE amount by the STEP
 35 TWO amount.

36 However, if a public library did not impose a property tax levy during
 37 the previous calendar year or did not impose a property tax levy for a
 38 particular fund during the previous calendar year, but the public library
 39 is imposing a property tax levy in the current calendar year or is
 40 imposing a property tax levy for the particular fund in the current
 41 calendar year, the department of local government finance shall adjust
 42 the amount of property tax replacement credits allocated among the
 43 various funds of the public library and shall provide the adjustment to
 44 the county auditor. If a public library receiving property tax
 45 replacement credits under this section does not impose a property tax
 46 levy for a particular fund that is first due and payable in a calendar year
 47 in which the property tax replacement credits are being distributed, the

public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(i) For each public library that receives property tax credits under this section, the department of local government finance shall certify to the county auditor the property tax rate applicable to each fund after the property tax replacement credits are allocated.

(j) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(k) The property tax replacement credits that are received under this section do not reduce the total county tax levy that is used to compute the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21~~. **IC 6-10-3.** For the purpose of computing and distributing certified distributions under IC 6-3.5-1.1 and tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 29. IC 6-3.5-7-25, AS AMENDED BY P.L.199-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 25. (a) This section applies only to a county that has adopted an ordinance under IC 6-1.1-12-41(f).

(b) For purposes of this section, "imposing entity" means the entity that adopted the ordinance under IC 6-1.1-12-41(f).

(c) The imposing entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). A county income tax council that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. Except as provided in subsection (j), an ordinance must be adopted under this subsection after January 1 but before June 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted;

(2) must specify the calendar years to which the ordinance applies; and

(3) must specify that the certified distribution must be used to provide for:

(A) uniformly applied increased homestead credits as provided in subsection (f); or

1 (B) allocated increased homestead credits as provided in
2 subsection (h).

3 An ordinance adopted under this subsection may be combined with an
4 ordinance adopted under section 26 of this chapter.

5 (d) If an ordinance is adopted under subsection (c), the percentage
6 of the certified distribution specified in the ordinance for use for the
7 purpose provided in subsection (e) shall be:

8 (1) retained by the county auditor under subsection (i); and

9 (2) used for the purpose provided in subsection (e) instead of the
10 purposes specified in the capital improvement plans adopted under
11 section 15 of this chapter.

12 (e) If an ordinance is adopted under subsection (c), the imposing
13 entity shall use the certified distribution described in section 16(c) of
14 this chapter to increase the homestead credit allowed in the county
15 under ~~IC 6-1.1-20-9~~ **IC 6-10-4** for a year to offset the effect on
16 homesteads in the county resulting from a county deduction for
17 inventory under IC 6-1.1-12-41.

18 (f) If the imposing entity specifies the application of uniform
19 increased homestead credits under subsection (c)(3)(A), the county
20 auditor shall, for each calendar year in which an increased homestead
21 credit percentage is authorized under this section, determine:

22 (1) the amount of the certified distribution that is available to
23 provide an increased homestead credit percentage for the year;

24 (2) the amount of uniformly applied homestead credits for the year
25 in the county that equals the amount determined under subdivision
26 (1); and

27 (3) the increased percentage of homestead credit that equates to
28 the amount of homestead credits determined under subdivision
29 (2).

30 (g) The increased percentage of homestead credit determined by the
31 county auditor under subsection (f) applies uniformly in the county in
32 the calendar year for which the increased percentage is determined.

33 (h) If the imposing entity specifies the application of allocated
34 increased homestead credits under subsection (c)(3)(B), the county
35 auditor shall, for each calendar year in which an increased homestead
36 credit is authorized under this section, determine:

37 (1) the amount of the certified distribution that is available to
38 provide an increased homestead credit for the year; and

39 (2) an increased percentage of homestead credit for each taxing
40 district in the county that allocates to the taxing district an amount
41 of increased homestead credits that bears the same proportion to
42 the amount determined under subdivision (1) that the amount of
43 inventory assessed value deducted under IC 6-1.1-12-41 in the
44 taxing district for the immediately preceding year's assessment
45 date bears to the total inventory assessed value deducted under
46 IC 6-1.1-12-41 in the county for the immediately preceding year's
47 assessment date.

(i) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) An entity authorized to adopt:

- (1) an ordinance under subsection (c); and
- (2) an ordinance under IC 6-1.1-12-41(f);

may consolidate the two (2) ordinances. The limitation under subsection (c) that an ordinance must be adopted after January 1 of a calendar year does not apply if a consolidated ordinance is adopted under this subsection. However, notwithstanding subsection (c)(1), the ordinance must state that it first applies to certified distributions in the calendar year in which property taxes are initially affected by the deduction under IC 6-1.1-12-41.

SECTION 30. IC 6-3.5-7-26, AS AMENDED BY P.L.199-2005, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 26. (a) This section applies only to homestead credits for property taxes first due and payable after calendar year 2006.

(b) For purposes of this section, "adopting entity" means:

- (1) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or
- (2) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

- (1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and
- (2) must specify that the certified distribution must be used to provide for:
 - (A) uniformly applied increased homestead credits as provided in subsection (f); or
 - (B) allocated increased homestead credits as provided in subsection (h).

1 An ordinance adopted under this subsection may be combined with an
2 ordinance adopted under section 25 of this chapter.

3 (d) If an ordinance is adopted under subsection (c), the percentage
4 of the certified distribution specified in the ordinance for use for the
5 purpose provided in subsection (e) shall be:

- 6 (1) retained by the county auditor under subsection (i); and
- 7 (2) used for the purpose provided in subsection (e) instead of the
8 purposes specified in the capital improvement plans adopted under
9 section 15 of this chapter.

10 (e) If an ordinance is adopted under subsection (c), the adopting
11 entity shall use the certified distribution described in section 16(c) of
12 this chapter to increase the homestead credit allowed in the county
13 under ~~IC 6-1.1-20-9~~ **IC 6-10-4** for a year to offset the effect on
14 homesteads in the county resulting from the statewide deduction for
15 inventory under IC 6-1.1-12-42.

16 (f) If the imposing entity specifies the application of uniform
17 increased homestead credits under subsection (c)(2)(A), the county
18 auditor shall, for each calendar year in which an increased homestead
19 credit percentage is authorized under this section, determine:

- 20 (1) the amount of the certified distribution that is available to
21 provide an increased homestead credit percentage for the year;
- 22 (2) the amount of uniformly applied homestead credits for the year
23 in the county that equals the amount determined under subdivision
24 (1); and
- 25 (3) the increased percentage of homestead credit that equates to
26 the amount of homestead credits determined under subdivision
27 (2).

28 (g) The increased percentage of homestead credit determined by the
29 county auditor under subsection (f) applies uniformly in the county in
30 the calendar year for which the increased percentage is determined.

31 (h) If the imposing entity specifies the application of allocated
32 increased homestead credits under subsection (c)(2)(B), the county
33 auditor shall, for each calendar year in which an increased homestead
34 credit is authorized under this section, determine:

- 35 (1) the amount of the certified distribution that is available to
36 provide an increased homestead credit for the year; and
- 37 (2) except as provided in subsection (j), an increased percentage
38 of homestead credit for each taxing district in the county that
39 allocates to the taxing district an amount of increased homestead
40 credits that bears the same proportion to the amount determined
41 under subdivision (1) that the amount of inventory assessed value
42 deducted under IC 6-1.1-12-42 in the taxing district for the
43 immediately preceding year's assessment date bears to the total
44 inventory assessed value deducted under IC 6-1.1-12-42 in the
45 county for the immediately preceding year's assessment date.

46 (i) The county auditor shall retain from the payments of the county's
47 certified distribution an amount equal to the revenue lost, if any, due to

the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(j) Subject to the approval of the imposing entity, the county auditor may adjust the increased percentage of homestead credit determined under subsection (h)(2) if the county auditor determines that the adjustment is necessary to achieve an equitable reduction of property taxes among the homesteads in the county."

Page 147, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 31. IC 6-3.5-8-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) The department of local government finance shall each year reduce the general fund property tax levy of a municipality receiving a distribution under this chapter in that year. The municipality's general fund property tax levy shall be reduced by the amount of the distribution received or to be received by the municipality during the year. The department of local government finance shall certify to the auditor of the qualifying county the property tax rate applicable to the municipality's general fund after the property tax reduction under this section.

(b) A municipality shall treat a distribution that the municipality receives or is to receive during a particular calendar year as a part of the municipality's property tax levy for the general fund for that same calendar year for purposes of fixing the municipality's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5. However, the distributions shall not reduce the total county tax levy that is used to compute the ~~state~~ property tax replacement credit under ~~IC 6-1.1-21~~. **IC 6-10-3.** In addition, for purposes of computing and distributing any excise taxes or income taxes in which the distribution is based on property taxes, the distributions shall be treated as though they were property taxes that were due and payable during that same calendar year.

(c) A municipality may use distributions received under this chapter for any purpose for which the municipality may use property tax revenues.

SECTION 32. IC 6-5.5-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) On or before February 1, May 1, August 1, and December 1 of each year the auditor of state shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year.

(b) For purposes of determining distributions under subsection (c), the department of local government finance shall determine a state welfare allocation for each county calculated as follows:

(1) For 2000 and each year thereafter, the state welfare allocation for each county equals the greater of zero (0) or the amount determined under the following formula:

STEP ONE: For 1997, 1998, and 1999, determine the result of:

(A) the amounts appropriated by the county in the year for the county's county welfare fund and county welfare administration fund; divided by

(B) the amounts appropriated by all the taxing units in the county in the year.

STEP TWO: Determine the sum of the results determined in STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount that would otherwise be distributed to all the taxing units in the county under subsection (b) without regard to this subdivision.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

(2) The state welfare allocation shall be deducted from the distributions otherwise payable under subsection (c) to the taxing unit that is a county and shall be deposited in a special account within the state general fund.

(c) **Except as provided in subsection (h)**, a taxing unit's guaranteed distribution for a year is the greater of zero (0) or an amount equal to:

(1) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; minus

(2) the amount to be received by the taxing unit in the year of the distribution, as determined by the department of local government finance, from property taxes attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee; minus

(3) in the case of a taxing unit that is a county, the amount that would have been received by the taxing unit in the year of the distribution, as determined by the department of local government finance from property taxes that:

(A) were calculated for the county's county welfare fund and county welfare administration fund for 2000 but were not imposed because of the repeal of IC 12-19-3 and IC 12-19-4; and

(B) would have been attributable to the personal property of banks, exclusive of the property taxes attributable to personal property leased by banks as the lessor where the possession of the personal property is transferred to the lessee.

(d) The amount of the supplemental distribution for a county for a year shall be determined using the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between:

(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year; minus

(B) the sum of all the guaranteed distributions, before the subtraction of all state welfare allocations under subsection (a), for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (c)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in STEP THREE for the county; minus

(B) the amount of refunds granted under IC 6-5-10-7 (repealed) that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13 (repealed).

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

(e) Except as provided in ~~subsection~~ **subsections (g) and (h)**, the amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under IC 6-5-10 (repealed) and IC 6-5-11 (repealed) in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (d), STEP FOUR.

(f) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the

1 semiannual distribution of real property taxes to the taxing units.

2 (g) The amount of a supplemental distribution paid to a taxing unit
3 that is a county shall be reduced by an amount equal to:

4 (1) the amount the county would receive under subsection (e)
5 without regard to this subsection; minus

6 (2) an amount equal to:

7 (A) the amount under subdivision (1); multiplied by

8 (B) the result of the following:

9 (i) Determine the amounts appropriated by the county in
10 1997, 1998, and 1999, from the county's county welfare fund
11 and county welfare administration fund, divided by the total
12 amounts appropriated by all the taxing units in the county in
13 the year.

14 (ii) Divide the amount determined in item (i) by three (3).

15 **(h) The amount of any distribution under this section paid to a**
16 **taxing unit that is a county shall be reduced by an amount, as**
17 **determined by the department of local government finance for each**
18 **county, equal to the result determined under STEP SIX of the**
19 **following formula:**

20 **STEP ONE: For 2004, 2005, and 2006, determine the result**
21 **of:**

22 **(A) the amounts appropriated by the county in the year for**
23 **the personnel and other operating expenses of the circuit,**
24 **superior, probate, and county courts in the county that**
25 **after 2006 will be paid by the state under IC 33-23-14-6;**
26 **divided by**

27 **(B) the amounts appropriated by all the taxing units in the**
28 **county for the year.**

29 **STEP TWO: Determine the sum of the results determined**
30 **under STEP ONE.**

31 **STEP THREE: Divide the STEP TWO result by three (3).**

32 **STEP FOUR: Determine the amount of the financial**
33 **institutions tax that would otherwise be distributed to taxing**
34 **units in the county under this section.**

35 **STEP FIVE: Determine the result of:**

36 **(A) the STEP FOUR amount; multiplied by**

37 **(B) the STEP THREE result.**

38 **STEP SIX: Determine the greater of:**

39 **(A) zero (0); or**

40 **(B) the STEP FIVE amount.**

41 **The amount deducted under this subsection shall be deposited in**
42 **the state general fund.**

43 SECTION 33. IC 6-6-5-10 IS AMENDED TO READ AS
44 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) The
45 bureau shall establish procedures necessary for the collection of the tax
46 imposed by this chapter and for the proper accounting for the same. The
47 necessary forms and records shall be subject to approval by the state

1 board of accounts.

2 (b) The county treasurer, upon receiving the excise tax collections,
3 shall receipt such collections into a separate account for settlement
4 thereof at the same time as property taxes are accounted for and settled
5 in June and December of each year, with the right and duty of the
6 treasurer and auditor to make advances prior to the time of final
7 settlement of such property taxes in the same manner as provided in
8 IC 5-13-6-3.

9 (c) **Except as provided in subsection (f)**, the county auditor shall
10 determine the total amount of excise taxes collected for each taxing unit
11 in the county and the amount so collected (and the distributions
12 received under section 9.5 of this chapter) shall be apportioned and
13 distributed among the respective funds of each taxing unit in the same
14 manner and at the same time as property taxes are apportioned and
15 distributed. However, for purposes of determining distributions under
16 this section for 2000 and each year thereafter, the state welfare
17 allocation for each county equals the greater of zero (0) or the amount
18 determined under STEP FIVE of the following STEPS:

19 STEP ONE: For 1997, 1998, and 1999, determine the result of:

20 (i) the amounts appropriated by the county in the year from the
21 county's county welfare fund and county welfare
22 administration fund; divided by

23 (ii) the total amounts appropriated by all the taxing units in the
24 county in the year.

25 STEP TWO: Determine the sum of the results determined in
26 STEP ONE.

27 STEP THREE: Divide the STEP TWO result by three (3).

28 STEP FOUR: Determine the amount that would otherwise be
29 distributed to all the taxing units in the county under this
30 subsection without regard to this subdivision.

31 STEP FIVE: Determine the result of:

32 (i) the STEP FOUR amount; multiplied by

33 (ii) the STEP THREE result.

34 The state welfare allocation shall be deducted from the total amount
35 available for apportionment and distribution to taxing units under this
36 section before any apportionment and distribution is made. The county
37 auditor shall remit the state welfare allocation to the treasurer of state
38 for deposit in a special account within the state general fund.

39 (d) Such determination shall be made from copies of vehicle
40 registration forms furnished by the bureau of motor vehicles. Prior to
41 such determination, the county assessor of each county shall, from
42 copies of registration forms, cause information pertaining to legal
43 residence of persons owning taxable vehicles to be verified from the
44 assessor's records, to the extent such verification can be so made. The
45 assessor shall further identify and verify from the assessor's records the
46 several taxing units within which such persons reside.

47 (e) Such verifications shall be done by not later than thirty (30) days

after receipt of vehicle registration forms by the county assessor, and the assessor shall certify such information to the county auditor for the auditor's use as soon as it is checked and completed.

(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2004, 2005, and 2006, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the motor vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 34. IC 6-6-5.5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) **Except as provided in subsection (f)**, on or before May 1, the auditor of state shall distribute to each county auditor an amount equal to fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(b) On or before December 1, the auditor of state shall distribute to each county auditor an amount equal to the greater of the following:

(1) Fifty percent (50%) of the total base revenue to be distributed to all taxing units in the county for that year.

(2) The product of the county's distribution percentage multiplied by the total commercial vehicle excise tax revenue deposited in the commercial vehicle excise tax fund.

(c) Upon receipt, the county auditor shall distribute to the taxing units an amount equal to the product of the taxing unit's distribution percentage multiplied by the total distributed to the county under this

section. The amount determined shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

(d) In the event that sufficient funds are not available in the commercial vehicle excise tax fund for the distributions required by subsection (a) and subsection (b)(1), the auditor of state shall transfer funds from the commercial vehicle excise tax reserve fund.

(e) The auditor of state shall, not later than July 1 of each year, furnish to each county auditor an estimate of the amounts to be distributed to the counties under this section during the next calendar year. Before August 1, each county auditor shall furnish to the proper officer of each taxing unit of the county an estimate of the amounts to be distributed to the taxing units under this section during the next calendar year and the budget of each taxing unit shall show the estimated amounts to be received for each fund for which a property tax is proposed to be levied.

(f) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2004, 2005, and 2006, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the commercial vehicle excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 35. IC 6-6-6.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 21. (a) The department shall allocate each aircraft excise tax payment collected by

1 it to the county in which the aircraft is usually located when not in
 2 operation or to the aircraft owner's county of residence if based out of
 3 state. **Except as provided in subsection (f)**, the department shall
 4 distribute to each county treasurer on a quarterly basis the aircraft
 5 excise taxes which were collected by the department during the
 6 preceding three (3) months and which the department has allocated to
 7 that county. The distribution shall be made on or before the fifteenth of
 8 the month following each quarter and the first distribution each year
 9 shall be made in April.

10 (b) Concurrently with making a distribution of aircraft excise taxes,
 11 the department shall send an aircraft excise tax report to the county
 12 treasurer and the county auditor. The department shall prepare the
 13 report on the form prescribed by the state board of accounts. The
 14 aircraft excise tax report must include aircraft identification, owner
 15 information, and excise tax payment, and must indicate the county
 16 where the aircraft is normally kept when not in operation. The
 17 department shall, in the manner prescribed by the state board of
 18 accounts, maintain records concerning the aircraft excise taxes received
 19 and distributed by it.

20 (c) Except as provided in section 21.5 of this chapter, each county
 21 treasurer shall deposit money received by him under this chapter in a
 22 separate fund to be known as the "aircraft excise tax fund". The money
 23 in the aircraft excise tax fund shall be distributed to the taxing units of
 24 the county in the manner prescribed in subsection (d).

25 (d) In order to distribute the money in the county aircraft excise tax
 26 fund to the taxing units of the county, the county auditor shall first
 27 allocate the money in the fund among the taxing districts of the county.
 28 In making these allocations, the county auditor shall allocate to a taxing
 29 district the excise taxes collected with respect to aircraft usually located
 30 in the taxing district when not in operation. The money allocated to a
 31 taxing district shall be apportioned and distributed among the taxing
 32 units of that taxing district in the same manner and at the same time that
 33 the property taxes are apportioned and distributed.

34 (e) Within thirty (30) days following the receipt of excise taxes from
 35 the department, the county treasurer shall file a report with the county
 36 auditor concerning the aircraft excise taxes collected by the county
 37 treasurer. The county treasurer shall file the report on the form
 38 prescribed by the state board of accounts. The county treasurer shall, in
 39 the manner and at the times prescribed in IC 6-1.1-27, make a
 40 settlement with the county auditor for the aircraft excise taxes collected
 41 by the county treasurer. The county treasurer shall, in the manner
 42 prescribed by the state board of accounts, maintain records concerning
 43 the aircraft excise taxes received and distributed by him.

44 **(f) The amount of any distribution under this section paid to a**
 45 **taxing unit that is a county shall be reduced by an amount, as**
 46 **determined by the department of local government finance for each**
 47 **county, equal to the result determined under STEP SIX of the**

1 following formula:

2 STEP ONE: For 2004, 2005, and 2006, determine the result
3 of:

4 (A) the amounts appropriated by the county in the year for
5 the personnel and other operating expenses of the circuit,
6 superior, probate, and county courts in the county that
7 after 2006 will be paid by the state under IC 33-23-14-6;
8 divided by

9 (B) the amounts appropriated by all the taxing units in the
10 county for the year.

11 STEP TWO: Determine the sum of the results determined
12 under STEP ONE.

13 STEP THREE: Divide the STEP TWO result by three (3).

14 STEP FOUR: Determine the amount of the aircraft excise tax
15 that would otherwise be distributed to taxing units in the
16 county under this section.

17 STEP FIVE: Determine the result of:

18 (A) the STEP FOUR amount; multiplied by

19 (B) the STEP THREE result.

20 STEP SIX: Determine the greater of:

21 (A) zero (0); or

22 (B) the STEP FIVE amount.

23 The amount deducted under this subsection shall be deposited in
24 the state general fund.

25 SECTION 36. IC 6-6-9-11 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. (a) All
27 revenues collected from the auto rental excise tax shall be deposited in
28 a special account of the state general fund called the auto rental excise
29 tax account.

30 (b) On or before May 20 and November 20 of each year, all amounts
31 held in the auto rental excise tax account shall be distributed to the
32 county treasurers of Indiana.

33 (c) Except as provided in subsection (h), the amount to be
34 distributed to a county treasurer equals that part of the total auto rental
35 excise taxes being distributed that were initially imposed and collected
36 from within that treasurer's county. The department shall notify each
37 county auditor of the amount of taxes to be distributed to the county
38 treasurer. At the same time each distribution is made to a county
39 treasurer, the department shall certify to the county auditor each taxing
40 district within the county where auto rental excise taxes were collected
41 and the amount of the county distribution that was collected with
42 respect to each taxing district.

43 (d) The county treasurer shall deposit auto rental excise tax
44 collections into a separate account for settlement at the same time as
45 property taxes are accounted for and settled in June and December of
46 each year.

47 (e) The county auditor shall apportion and the county treasurer shall

1 distribute the auto rental excise taxes among the taxing units of the
 2 county in the same manner that property taxes are apportioned and
 3 distributed with respect to property located in the taxing district where
 4 the auto rental excise tax was initially imposed and collected. The auto
 5 rental excise taxes distributed to a taxing unit shall be allocated among
 6 the taxing unit's funds in the same proportions that the taxing unit's
 7 property tax collections are allocated among those funds.

8 (f) Taxing units of a county may request and receive advances of
 9 auto rental excise tax revenues in the manner provided under
 10 IC 5-13-6-3.

11 (g) All distributions from the auto rental excise tax account shall be
 12 made by warrants issued by the auditor of state to the treasurer of state
 13 ordering those payments to the appropriate county treasurer.

14 **(h) The amount of any distribution under this section paid to a**
 15 **taxing unit that is a county shall be reduced by an amount, as**
 16 **determined by the department of local government finance for each**
 17 **county, equal to the result determined under STEP SIX of the**
 18 **following formula:**

19 **STEP ONE: For 2004, 2005, and 2006, determine the result**
 20 **of:**

21 **(A) the amounts appropriated by the county in the year for**
 22 **the personnel and other operating expenses of the circuit,**
 23 **superior, probate, and county courts in the county that**
 24 **after 2006 will be paid by the state under IC 33-23-14-6;**
 25 **divided by**

26 **(B) the amounts appropriated by all the taxing units in the**
 27 **county for the year.**

28 **STEP TWO: Determine the sum of the results determined**
 29 **under STEP ONE.**

30 **STEP THREE: Divide the STEP TWO result by three (3).**

31 **STEP FOUR: Determine the amount of the auto rental excise**
 32 **tax that would otherwise be distributed to taxing units in the**
 33 **county under this section.**

34 **STEP FIVE: Determine the result of:**

35 **(A) the STEP FOUR amount; multiplied by**

36 **(B) the STEP THREE result.**

37 **STEP SIX: Determine the greater of:**

38 **(A) zero (0); or**

39 **(B) the STEP FIVE amount.**

40 **The amount deducted under this subsection shall be deposited in**
 41 **the state general fund.**

42 SECTION 37. IC 6-6-11-31 IS AMENDED TO READ AS
 43 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 31. (a) A boat
 44 excise tax fund is established in each county. Each county treasurer
 45 shall deposit in the fund the taxes received under this chapter.

46 (b) **Except as provided in subsection (c),** the excise tax money in
 47 the county boat excise tax fund shall be distributed to the taxing units

of the county. The county auditor shall allocate the money in the fund among the taxing units of the county based on the tax situs of each boat. The money allocated to the taxing units shall be apportioned and distributed among the funds of the taxing units in the same manner and at the same time that property taxes are apportioned and distributed.

(c) The amount of any distribution under this section paid to a taxing unit that is a county shall be reduced by an amount, as determined by the department of local government finance for each county, equal to the result determined under STEP SIX of the following formula:

STEP ONE: For 2004, 2005, and 2006, determine the result of:

(A) the amounts appropriated by the county in the year for the personnel and other operating expenses of the circuit, superior, probate, and county courts in the county that after 2006 will be paid by the state under IC 33-23-14-6; divided by

(B) the amounts appropriated by all the taxing units in the county for the year.

STEP TWO: Determine the sum of the results determined under STEP ONE.

STEP THREE: Divide the STEP TWO result by three (3).

STEP FOUR: Determine the amount of the boat excise tax that would otherwise be distributed to taxing units in the county under this section.

STEP FIVE: Determine the result of:

(A) the STEP FOUR amount; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the greater of:

(A) zero (0); or

(B) the STEP FIVE amount.

The amount deducted under this subsection shall be deposited in the state general fund.

SECTION 38. IC 6-8.1-1-1, AS AMENDED BY P.L.214-2005, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the river boat admissions tax (IC 4-33-12); the river boat wagering tax (IC 4-33-13); the gross income tax (IC 6-2.1) (repealed); the utility receipts tax (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5);

the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); **the supplemental local property tax replacement income tax (IC 6-10-5);** the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer."

Page 149, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 39. IC 6-10 IS ADDED TO THE INDIANA CODE AS A **NEW ARTICLE TO READ AS FOLLOWS** [EFFECTIVE JANUARY 1, 2007]:

ARTICLE 10. SUPPLEMENTAL LOCAL PROPERTY TAX REPLACEMENT INCOME TAX

Chapter 1. Purpose

Sec. 1. The purpose of this article is to:

- (1) provide property tax relief to property taxpayers from a dedicated source of supplemental income tax revenue;
- (2) fairly allocate property tax relief back to the property taxpayers in a county in proportion to the supplemental income tax paid by supplemental income taxpayers in the county; and
- (3) avoid imposing supplemental income tax rates on supplemental income taxpayers in counties with larger than average concentrations of taxable property or smaller than average household incomes that exceed the average supplemental income tax rate imposed in Indiana to provide property tax relief.

Sec. 2. This article shall be liberally constructed to carry out the purposes of this article.

Chapter 2. Definitions

Sec. 1. The definitions in IC 6-1.1-1 and IC 36-1-2 apply throughout this article.

Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "2005 certified homestead distribution" refers to the state distribution to a county in 2005 to replace revenue lost as the

1 result of the granting of homestead credits in the county under
2 IC 6-1.1-20.9-2, as certified under IC 6-10-7-1(1).

3 Sec. 4. "2005 certified property tax relief distribution" refers to
4 the sum of a county's 2005 certified homestead distribution and
5 2005 certified property tax replacement distribution, as certified
6 under IC 6-10-7-1(3).

7 Sec. 5. "2005 certified property tax replacement distribution"
8 refers to the state distribution to a county in 2005 to replace
9 revenue lost as the result of the granting of property tax
10 replacement credits in the county under IC 6-1.1-21-5, as certified
11 under IC 6-10-7-1(2).

12 Sec. 6. "Additional supplemental income revenue" refers to the
13 amount by which the certified actual supplemental income tax
14 revenue of all counties exceeds the 2005 certified property tax relief
15 distribution amount for all counties, as determined under
16 IC 6-10-7-9.

17 Sec. 7. "Adjusted gross income", for the purposes of
18 determining the adjusted gross income of:

19 (1) a resident income taxpayer, means adjusted gross income
20 (as defined in IC 6-3-1-3.5(a) but determined by adding back
21 the deduction permitted under IC 6-3-1-3.5(a)(6)), regardless
22 of where the adjusted gross income is earned; and

23 (2) a nonresident income taxpayer, includes only the
24 individual's adjusted gross income (as defined in
25 IC 6-3-1-3.5(a) but determined by adding back the deduction
26 permitted under IC 6-3-1-3.5(a)(6)) derived from the
27 nonresident income taxpayer's principal place of business or
28 employment.

29 Sec. 8. "Auditor's abstract" means the annual report prepared
30 by each county auditor which, under IC 6-1.1-22-5, is to be filed on
31 or before March 1 of each year with the auditor of state.

32 Sec. 9. "Business personal property" means tangible personal
33 property that is being:

34 (1) held for sale in the ordinary course of a trade or business;
35 or

36 (2) held, used, or consumed in connection with the production
37 of income.

38 Sec. 10. "Certified homestead distribution" refers to the amount
39 distributed under IC 6-10-7-3 to a county in a year to replace
40 revenue lost as a result of granting homestead credits in the county
41 under IC 6-10-4.

42 Sec. 11. "Certified actual supplemental income tax revenue"
43 refers to the amount of supplemental income tax revenue raised in
44 a county for a particular year as certified under IC 6-10-7-5.

45 Sec. 12. "Certified property tax replacement distribution" refers
46 to the amount distributed under IC 6-10-7-2 to a county in a year

to replace revenue lost as a result of granting property tax replacement credits in the county under IC 6-10-3.

Sec. 13. "Dwelling" means any of the following:

- (1) Residential real property improvements that an individual uses as his residence, including a house or garage.
- (2) A mobile home that is not assessed as real property that an individual uses as the individual's residence.
- (3) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

Sec. 14. "Eligible property tax replacement amount" is equal to the sum of the following:

- (1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.
- (2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.
- (3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

Sec. 15. "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

Sec. 16. "Homestead" means an individual's principal place of residence that:

- (1) is located in Indiana;
- (2) the individual either:
 - (A) owns;
 - (B) is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; or
 - (C) has a beneficial interest in, as described in IC 6-10-3-4;
- and
- (3) consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Sec. 17. "Homestead credit" refers to a credit against property tax liability granted under IC 6-10-4.

Sec. 18. "Income tax determination date" means January 1 of the calendar year in which the individual's taxable year commences.

Sec. 19. "Mobile home" has the meaning set forth in IC 6-1.1-1-8.7.

Sec. 20. "Mobile home assessments" means the assessments of

1 mobile homes made under IC 6-1.1-7.

2 Sec. 21. "Nonresident income taxpayer" means an individual
3 who:

4 (1) maintains a principal place of business or employment in
5 a county in Indiana on the income tax determination date for
6 the individual's taxable year; and

7 (2) is not a resident income taxpayer of any county in Indiana
8 on the income tax determination date for the individual's
9 taxable year.

10 Sec. 22. "Postabstract adjustments" means adjustments in taxes
11 made subsequent to the filing of an auditor's abstract that change
12 assessments or add assessments of omitted property affecting taxes
13 for the assessment year.

14 Sec. 23. "Property tax" means property taxes payable in respect
15 to property assessed under IC 6-1.1. The term does not include
16 special assessments, penalties, or interest. The term include any
17 special charges that a county treasurer combines with all other
18 taxes in the preparation and delivery of the tax statements required
19 under IC 6-1.1-22-8(a).

20 Sec. 24. "Property tax liability" refers to the amount of a
21 property taxpayer's liability for property taxes computed under
22 IC 6-10-3-4.

23 Sec. 25. "Property taxpayer" means a person who is liable for
24 property taxes.

25 Sec. 26. "Property tax replacement credit" refers to a credit
26 against a property taxpayer's property tax liability granted under
27 IC 6-10-4.

28 Sec. 27. "Resident income taxpayer" means an individual who
29 resides, as determined under IC 6-10-6-3, in a county in Indiana on
30 the income tax determination date for the individual's taxable year.

31 Sec. 28. "Supplemental homestead distribution" refers to the
32 additional supplemental income revenue that is available in a
33 particular year to increase the amount of homestead credits
34 granted in a county, as determined under IC 6-10-7-11.

35 Sec. 29. "Supplemental income tax" refers to a supplemental
36 local property tax replacement income tax imposed under this
37 article.

38 Sec. 30. "Supplemental income taxpayer" means the following:

39 (1) A resident income taxpayer.

40 (2) A nonresident income taxpayer.

41 Sec. 31. "Supplemental property tax replacement distribution"
42 refers to the additional supplemental income revenue that is
43 available in a particular year to increase the amount of property
44 tax replacement credits granted in a county, as determined under
45 IC 6-10-7-10.

46 Sec. 32. "Tax duplicate" means the roll of property taxes that

each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

Sec. 33. "Taxing unit" has the meaning set forth in IC 6-1.1-1-21.

Sec. 34. "Taxpayer's property tax replacement credit amount" refers to the amount of a property taxpayer's property tax replacement credit determined under IC 6-10-3-6.

Sec. 35. "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments that change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county) (before its repeal); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5 (repealed), or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 (repealed) were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

1 (F) the remainder of:

2 (i) the total property taxes imposed in the county for the
3 stated assessment year under authority of IC 21-2-6
4 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
5 cumulative building fund whose property tax rate was
6 not initially established or reestablished for a stated
7 assessment year that succeeds the 1983 stated assessment
8 year; minus

9 (ii) the total property taxes imposed in the county for the
10 1984 stated assessment year under the authority of
11 IC 21-2-6 (repealed) or any citation listed in
12 IC 6-1.1-18.5-9.8 for a cumulative building fund whose
13 property tax rate was not initially established or
14 reestablished for a stated assessment year that succeeds
15 the 1983 stated assessment year; minus

16 (G) the amount of property taxes imposed in the county for
17 the stated assessment year under:

18 (i) IC 21-2-15 for a capital projects fund; plus

19 (ii) IC 6-1.1-19-10 for a racial balance fund; plus

20 (iii) IC 36-12-12 for a library capital projects fund; plus

21 (iv) IC 36-10-13-7 for an art association fund; plus

22 (v) IC 21-2-17 for a special education preschool fund;
23 plus

24 (vi) IC 21-2-11.6 for a referendum tax levy fund; plus

25 (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase
26 in a school corporation's maximum permissible general
27 fund levy for certain transfer tuition costs; plus

28 (viii) an appeal filed under IC 6-1.1-19-5.4 for an
29 increase in a school corporation's maximum permissible
30 transportation fund levy for transportation operating
31 costs; minus

32 (H) the amount of property taxes imposed by a school
33 corporation that is attributable to the passage, after 1983,
34 of a referendum for an excessive tax levy under
35 IC 6-1.1-19, including any increases in these property taxes
36 that are attributable to the adjustment set forth in
37 IC 6-1.1-19-1.5 or any other law; minus

38 (I) for each township in the county, the lesser of:

39 (i) the sum of the amount determined in
40 IC 6-1.1-18.5-19(a) STEP THREE (as effective January
41 1, 1990) or IC 6-1.1-18.5-19(b) STEP THREE (as
42 effective January 1, 1990), whichever is applicable, plus
43 the part, if any, of the township's ad valorem property
44 tax levy for calendar year 1989 that represents increases
45 in that levy that resulted from an appeal described in
46 IC 6-1.1-18.5-13(4) (as effective before January 1, 1989),

- 1 filed after December 31, 1982; or
- 2 (ii) the amount of property taxes imposed in the township
- 3 for the stated assessment year under the authority of
- 4 IC 36-8-13-4; minus
- 5 (J) for each participating unit in a fire protection territory
- 6 established under IC 36-8-19-1, the amount of property
- 7 taxes levied by each participating unit under IC 36-8-19-8
- 8 and IC 36-8-19-8.5 less the maximum levy limit for each of
- 9 the participating units that would have otherwise been
- 10 available for fire protection services under IC 6-1.1-18.5-3
- 11 and IC 6-1.1-18.5-19 for that same year; minus
- 12 (K) for each county the sum of:
 - 13 (i) the amount of property taxes imposed in the county
 - 14 for the repayment of loans under IC 12-19-5-6 (repealed)
 - 15 that is included in the amount determined under
 - 16 IC 12-19-7-4(a) STEP SEVEN (as effective January 1,
 - 17 2005) for property taxes payable in 1995, or for property
 - 18 taxes payable in each year after 1995, the amount
 - 19 determined under IC 12-19-7-4; and
 - 20 (ii) the amount of property taxes imposed in the county
 - 21 attributable to appeals granted under IC 6-1.1-18.6-3
 - 22 (before its repeal) that is included in the amount
 - 23 determined under IC 12-19-7-4(a) STEP SEVEN (as
 - 24 effective January 1, 2005) for property taxes payable in
 - 25 1995, or the amount determined under IC 12-19-7-4 for
 - 26 property taxes payable in each year after 1995; plus
 - 27 (2) all taxes to be paid in the county in respect to mobile home
 - 28 assessments currently assessed for the year in which the taxes
 - 29 stated in the abstract are to be paid; plus
 - 30 (3) the amounts, if any, of county adjusted gross income taxes
 - 31 that were applied by the taxing units in the county as property
 - 32 tax replacement credits to reduce the individual levies of the
 - 33 taxing units for the assessment year, as provided in
 - 34 IC 6-3.5-1.1; plus
 - 35 (4) the amounts, if any, by which the maximum permissible ad
 - 36 valorem property tax levies of the taxing units of the county
 - 37 were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the
 - 38 stated assessment year; plus
 - 39 (5) the difference between:
 - 40 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP
 - 41 FOUR; minus
 - 42 (B) the amount the civil taxing units' levies were increased
 - 43 because of the reduction in the civil taxing units' base year
 - 44 certified shares under IC 6-1.1-18.5-3(e).
 - 45 **Chapter 3. Property Tax Replacement Credit**
 - 46 **Sec. 1. (a) Each year the property taxpayers of each county shall**

1 receive a credit for property tax replacement in the amount of each
 2 taxpayer's property tax replacement credit amount for property
 3 taxes that:

4 (1) under IC 6-1.1-22-9 are due and payable in May and
 5 November of that year; or

6 (2) under IC 6-1.1-22-9.5 are due in installments established
 7 by the department of local government finance for that year.

8 Sec. 2. The credit under this chapter shall be applied to each
 9 installment of property taxes.

10 Sec. 3. The dollar amount of the credit under this chapter for
 11 each property taxpayer shall be determined by the county auditor,
 12 based on data furnished by the department of local government
 13 finance.

14 Sec. 4. (a) Subject to subsection (b), the property tax liability of
 15 a taxpayer for the purpose of computing the credit under this
 16 chapter for a particular year shall be based on:

17 (1) the taxpayer's property tax as evidenced by the tax
 18 duplicate for the taxes payable in that year; plus

19 (2) the amount by which the property tax payable by the
 20 taxpayer had been reduced due to the application of county
 21 adjusted gross income tax revenues to the extent the county
 22 adjusted gross income tax revenues were included in the
 23 determination of the total county tax levy for that year;

24 as adjusted for any change in assessed valuation that may have
 25 been made pursuant to a post-abstract adjustment if the change is
 26 set forth on the tax statement or on a corrected tax statement
 27 stating the taxpayer's tax liability, as prepared by the county
 28 treasurer in accordance with IC 6-1.1-22-8(a).

29 (b) The property tax liability of a taxpayer does not include the
 30 amount of any property tax owed by the taxpayer that is
 31 attributable to that part of any property tax levy subtracted under
 32 IC 6-10-2-35(1)(B), IC 6-10-2-35(1)(C), IC 6-10-2-35(1)(D),
 33 IC 6-10-2-35(1)(E), IC 6-10-2-35(1)(F), IC 6-10-2-35(1)(G),
 34 IC 6-10-2-35(1)(H), IC 6-10-2-35(1)(I), IC 6-10-2-35(1)(J), or
 35 IC 6-10-2-35(1)(K) in computing the total county tax levy.

36 Sec. 5. The credit under this chapter for property taxes payable
 37 in a particular year with respect to mobile homes that are assessed
 38 under IC 6-1.1-7 is equivalent to the taxpayer's property tax
 39 replacement credit amount for the taxes payable with respect to the
 40 assessments plus the adjustments described in section 4 of this
 41 chapter.

42 Sec. 6. A property taxpayer's property tax replacement credit
 43 amount is the amount determined under STEP SEVEN of the
 44 following formula:

45 STEP ONE: Determine the county's certified property tax
 46 replacement distribution for the year.

STEP TWO: Determine the county's "eligible property tax replacement amount" for the year.

STEP THREE: Determine the result of:

(A) the STEP ONE amount; divided by

(B) the STEP TWO amount;

rounded to the nearest ten thousandth (0.0001).

STEP FOUR: Determine the result of:

(A) sixty percent (60%) of a taxpayer's tax liability in a calendar year for property taxes imposed by a school corporation for its general fund for a stated assessment year; multiplied by

(B) the STEP THREE result.

STEP FIVE: Determine the result of:

(A) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property; multiplied by

(B) the STEP THREE result.

STEP SIX: Determine the result of:

(A) twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property; multiplied by

(B) the STEP THREE result.

STEP SEVEN: Determine the sum of:

(A) the STEP FOUR result;

(B) the STEP FIVE result; and

(C) the STEP SIX result.

Chapter 4. Homestead Credit

Sec. 1. Except as otherwise provided in section 7 of this chapter, an individual who on March 1 of a particular year either:

(1) owns the individual's homestead;

(2) is buying the individual's homestead under a contract that:

(A) provides the individual is to pay the property taxes on the homestead; and

(B) is recorded in the office of the county recorder where the homestead is located; or

(3) has a beneficial interest in the individual's homestead, as determined under section 4 of this chapter;

is entitled each year to a credit against the individual's property tax liability that the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

1 **Sec. 2. (a) The amount of the credit to which an individual is**
 2 **entitled to under this chapter equals the product of:**

3 **(1) the uniform homestead credit percentage determined**
 4 **under section 3 of this chapter; multiplied by**

5 **(2) the amount of the individual's property tax liability which**
 6 **is:**

7 **(A) attributable to the homestead during the particular**
 8 **calendar year; and**

9 **(B) determined after the application of the property tax**
 10 **replacement credit under IC 6-10-3.**

11 **(b) For purposes of determining that part of an individual's**
 12 **property tax liability that is attributable to the individual's**
 13 **homestead, all deductions from assessed valuation which the**
 14 **individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property**
 15 **on which the individual's homestead is located must be applied first**
 16 **against the assessed value of the individual's homestead before**
 17 **those deductions are applied against any other property.**

18 **Sec. 3. (a) The department of local government finance shall**
 19 **annually calculate for each county the county's uniform homestead**
 20 **credit percentage. A county's uniform homestead credit percentage**
 21 **is the percentage determined in STEP FOUR of the following**
 22 **formula:**

23 **STEP ONE: Determine the amount of the certified homestead**
 24 **distribution for the county in the current calendar year.**

25 **STEP TWO: Determine the total amount of the property tax**
 26 **liability first due and payable in the calendar year which is:**

27 **(1) attributable to each homestead located in the county**
 28 **during the particular calendar year; and**

29 **(2) determined after the application of the property tax**
 30 **replacement credit under IC 6-10-3.**

31 **STEP THREE: Determine the quotient of:**

32 **(1) the STEP ONE amount; divided by**

33 **(2) the STEP TWO amount.**

34 **STEP FOUR: Express the STEP THREE quotient as a**
 35 **percentage rounded to the nearest one hundredth percent**
 36 **(0.01%).**

37 **(b) The uniform county homestead percentage determined**
 38 **under this section must be used to calculate the amount of the**
 39 **homestead credit allowed to each individual that is entitled to a**
 40 **homestead credit under section 1 of this chapter.**

41 **Sec. 4. (a) Before October 1 of each year, the assessor shall**
 42 **furnish to the county auditor the amount of the assessed valuation**
 43 **of each homestead for which a homestead credit has been properly**
 44 **filed under this chapter.**

45 **(b) The county auditor shall apply the credit equally to each**
 46 **installment of taxes that the individual pays for the property.**

1 (c) Notwithstanding the provisions of this chapter, a taxpayer
 2 other than an individual is entitled to the credit provided by this
 3 chapter if:

- 4 (1) an individual uses the residence as the individual's
- 5 principal place of residence;
- 6 (2) the residence is located in Indiana;
- 7 (3) the individual has a beneficial interest in the taxpayer;
- 8 (4) the taxpayer either owns the residence or is buying it
- 9 under a contract, recorded in the county recorder's office,
- 10 that provides that the individual is to pay the property taxes
- 11 on the residence; and
- 12 (5) the residence consists of a single-family dwelling and the
- 13 real estate, not exceeding one (1) acre, that immediately
- 14 surrounds that dwelling.

15 Sec. 5. (a) Subject to this section, an individual who desires to
 16 claim the credit provided by section 1 of this chapter must file a
 17 certified statement in duplicate, on forms prescribed by the
 18 department of local government finance, with the auditor of the
 19 county in which the homestead is located. The statement shall
 20 include the parcel number or key number of the real estate and the
 21 name of the city, town, or township in which the real estate is
 22 located. With respect to real property, the statement must be filed
 23 during the twelve (12) months before May 11 of the year prior to
 24 the first year for which the person wishes to obtain the credit for
 25 the homestead. With respect to a mobile home that is not assessed
 26 as real property or a manufactured home that is not assessed as
 27 real property, the statement must be filed during the twelve (12)
 28 months before March 2 of the first year for which the individual
 29 wishes to obtain the credit. The statement may be filed in person or
 30 by mail. If mailed, the mailing must be postmarked on or before
 31 the last day for filing. The statement applies for that first year and
 32 any succeeding year for which the credit is allowed.

33 (b) The certified statement referred to in subsection (a) shall
 34 contain the name of any other county and township in which the
 35 individual owns or is buying real property.

36 (c) If an individual who is receiving the credit provided by this
 37 chapter changes the use of the individual's real property, so that
 38 part or all of that real property no longer qualifies for the
 39 homestead credit provided by this chapter, the individual must file
 40 a certified statement with the auditor of the county, notifying the
 41 auditor of the change of use within sixty (60) days after the date of
 42 that change. An individual who changes the use of the individual's
 43 real property and fails to file the statement required by this
 44 subsection is liable for the amount of the credit the individual was
 45 allowed under this chapter for that real property.

46 (d) An individual who receives the credit provided by section 1

of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the credit in the following year is not required to file a statement to reapply for the credit following the removal of the joint owner if:

- (1) the individual is the sole owner of the property following the death of the individual's spouse;
- (2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or
- (3) the individual is awarded sole ownership of property in a divorce decree.

(e) An individual or other taxpayer who filed for a homestead credit under IC 6-1.1-20.9 (repealed) and would have been entitled to a homestead credit against tax liability first due and payable in 2007, if IC 6-1.1-20.9 had not been repealed, shall be treated as if the individual or other taxpayer had filed for a homestead credit for the homestead under this section.

Sec. 6. (a) The auditor of a county (referred to in this section as the "first county") with whom a credit statement is filed under section 5 of this chapter shall immediately prepare and transmit a copy of the statement to the auditor of any other county (referred to in this section as the "second county") if the individual who claims the credit owns or is buying real property located in the second county.

(b) The county auditor of the second county shall note on the copy of the statement whether or not the individual has claimed a credit for the current year under section 1 of this chapter for a homestead located in the second county. The auditor shall then return the copy to the auditor of the first county.

Sec. 7. (a) Each year, the county auditor shall place the original copies of all credit statements filed under section 5 of this chapter in alphabetical order by townships. The county auditor shall, without regard to townships, place the duplicate copies for the entire county in alphabetical order.

(b) The auditor shall ascertain from the alphabetical files whether or not more than one (1) statement has been filed by the same individual.

(c) The county auditor may not grant an individual a credit under section 1 of this chapter if:

- (1) the individual, for the same year, claims the credit on two
- (2) or more different statements; and
- (2) the statements claim the credit for different property.

Sec. 8. Before April 1 of each year prior to the year in which the credit is allowed, the auditor of each county shall certify to the department of local government finance the amount of the assessed valuation that qualifies for the homestead credit. Before February

1 of each year, the auditor of each county shall certify to the department of local government finance the amount of homestead credits allowed in that county for that calendar year.

Chapter 5. Imposition of Tax

Sec. 1. Except as provided by this chapter, a supplemental local property tax replacement income tax is imposed on the adjusted gross income of supplemental income taxpayers in a county.

Sec. 2. The supplemental local property tax replacement income tax is imposed at the rate of one and thirty-five hundredths percent (1.35%).

Sec. 3. (a) For purposes of this chapter, an individual shall be treated as a resident income taxpayer of the county in which the individual:

- (1) maintains a home, if the individual maintains only one (1) home in Indiana;
- (2) if subdivision (1) does not apply, is registered to vote;
- (3) if subdivision (1) or (2) does not apply, registers the individual's personal automobile; or
- (4) if subdivision (1), (2), or (3) does not apply, spends the majority of the individual's time spent in Indiana during the taxable year in question.

(b) The residence or principal place of business or employment of an individual is to be determined on the income tax determination date for the individual's taxable year. If an individual changes the location of the individual's residence or principal place of employment or business to another county in Indiana during the individual's taxable year, the individual's liability for supplemental income tax is not affected.

Sec. 4. (a) The department of state revenue may enter into reciprocity agreements with the taxing authority of a city, town, municipality, county, or other similar local governmental entity of any other state. A reciprocity agreement must provide that the income of nonresident income taxpayers who reside in the other local governmental entity is exempt from the supplemental income tax in the Indiana county entering into the agreement to the extent that the income of Indiana resident income taxpayers is exempt from income taxation by the other local governmental entity.

(b) A reciprocity agreement entered into under this section may not become effective until it is also made effective in the other local governmental entity that is a party to the agreement.

(c) A certified copy of the reciprocity agreement must be filed with the following:

- (1) The department of local government finance.
- (2) The budget agency.

(d) The form and effective date of any reciprocity agreement described in this section must be approved by the budget agency.

1 **Sec. 5. (a) If for a taxable year a supplemental income taxpayer**
 2 **is (or a supplemental income taxpayer and a supplemental income**
 3 **taxpayer's spouse who file a joint return are) allowed a credit for**
 4 **the elderly or the disabled under Section 22 of the Internal**
 5 **Revenue Code, the supplemental income taxpayer is (or a**
 6 **supplemental income taxpayer and a supplemental income**
 7 **taxpayer's spouse who file a joint return are) entitled to a credit**
 8 **against the supplemental income taxpayer's (or the supplemental**
 9 **income taxpayer's and the supplemental income taxpayer's**
 10 **spouse's) supplemental income tax liability under this chapter for**
 11 **that same taxable year. The amount of the credit equals the lesser**
 12 **of:**

13 **(1) the product of:**

14 **(A) the supplemental income taxpayer's (or the**
 15 **supplemental income taxpayer's and the supplemental**
 16 **income taxpayer's spouse's) credit for the elderly or the**
 17 **totally disabled for that same taxable year; multiplied by**
 18 **(B) a fraction for which the numerator of the fraction is the**
 19 **supplemental income tax rate and the denominator is**
 20 **fifteen hundredths (0.15); or**

21 **(2) the amount of supplemental income tax imposed on the**
 22 **supplemental income taxpayer (or the supplemental income**
 23 **taxpayer and the supplemental income taxpayer's spouse).**

24 **(b) If a supplemental income taxpayer and the local taxpayer's**
 25 **spouse file a joint return and are subject to different supplemental**
 26 **income tax rates under this chapter for the same taxable year, they**
 27 **shall compute the credit under this section using the formula**
 28 **provided by subsection (a), except that they shall use the average**
 29 **of the two (2) supplemental income tax rates as the numerator**
 30 **referred to in subsection (a)(1)(B).**

31 **Sec. 6. Revenue from a supplemental local property tax**
 32 **replacement income tax under this chapter shall be collected,**
 33 **deposited, and used as provided in this article.**

34 **Chapter 6. Collection**

35 **Sec. 1. Except as otherwise provided in this article, all provisions**
 36 **of the adjusted gross income tax law (IC 6-3) concerning:**

- 37 **(1) definitions;**
- 38 **(2) declarations of estimated tax;**
- 39 **(3) filing of returns;**
- 40 **(4) remittances;**
- 41 **(5) incorporation of the provisions of the Internal Revenue**
- 42 **Code;**
- 43 **(6) penalties and interest;**
- 44 **(7) exclusion of military pay credits for withholding; and**
- 45 **(8) exemptions and deductions;**

46 **apply to the imposition, collection, and administration of a**

1 supplemental income tax imposed by IC 6-10-6.

2 Sec. 2. The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3,
3 IC 6-3-3-5, and IC 6-3-5-1 do not apply to the supplemental income
4 tax imposed by IC 6-10-5.

5 Sec. 3. Each employer shall report to the department the
6 amount of withholdings attributable to each county. This report
7 shall be submitted in the manner and on the schedule determined
8 by the department of state revenue. The department of state
9 revenue may provide for the information to be reported:

10 (1) annually along with the employer's annual withholding
11 report; or

12 (2) on a more frequent schedule with annual reconciliation of
13 the amounts reported during the year.

14 Sec. 4. Each supplemental income taxpayer that is required to
15 file estimated tax returns under IC 6-3-4-4.1 shall report to the
16 department the amount of estimated supplemental income tax
17 attributable to a county. The report shall be submitted in the
18 manner and on the schedule determined by the department of state
19 revenue. The department of state revenue may provide for the
20 information to be reported:

21 (1) annually along with the income taxpayer's annual return;
22 or

23 (2) on a more frequent schedule with annual reconciliation of
24 the amounts reported during the year.

25 Sec. 5. The department of state revenue shall separately account
26 for the supplemental income taxes collected from supplemental
27 income taxpayers in each county and refunds made to
28 supplemental income taxpayers in each county.

29 Chapter 7. Distribution

30 Sec. 1. Before August 2, 2006, and before August 2 in any
31 subsequent year in a later adjustment in the amount distributed is
32 made as a result of the resolution of refunds and other tax appeals,
33 the department of local government finance, after reviewing the
34 recommendation of the budget agency, shall make the following
35 certifications to the auditor of state for each county:

36 (1) The total amount of the state distribution made under
37 IC 6-1.1-21 (repealed), as adjusted in any subsequent
38 settlement under IC 6-1.1-21-9 (repealed), to the county to
39 replace revenue lost as a result of the granting of a property
40 tax replacement credit to taxpayers in the county under
41 IC 6-1.1-21-5 (repealed) for property taxes first due and
42 payable for the March 1, 2004, and January 15, 2005,
43 assessment dates.

44 (2) The total amount of the state distribution made under
45 IC 6-1.1-21 (repealed), as adjusted in any subsequent
46 settlement under IC 6-1.1-21-9 (repealed), to the county to

1 replace revenue lost as a result of the granting of a homestead
 2 credit to taxpayers in the county under IC 6-1.1-20.9-2
 3 (repealed) for property taxes first due and payable for the
 4 March 1, 2004, and January 15, 2005, assessment dates.

5 (3) The sum of the county's 2005 certified property tax
 6 replacement distribution and the county's 2005 certified
 7 homestead distribution.

8 Sec. 2. Each year beginning after December 31, 2006, the
 9 auditor of state shall make a certified property tax replacement
 10 distribution to the county treasurer of each county equal to the sum
 11 of the following:

12 (1) The county's 2005 certified property tax replacement
 13 distribution.

14 (2) The county's supplemental property tax replacement
 15 distribution for the year determined under section 10 of this
 16 chapter.

17 Sec. 3. Each year beginning after December 31, 2006, the
 18 auditor of state shall make a certified homestead distribution to the
 19 county treasurer of each county equal to the sum of the following:

20 (1) The county's 2005 certified homestead distribution.

21 (2) The county's supplemental homestead distribution for the
 22 year determined under section 11 of this chapter.

23 Sec. 4. The distribution required under section 2 of this chapter
 24 and the distribution required under section 3 of this chapter shall
 25 be made in twelve (12) equal installments.

26 Sec. 5. Before August 2, 2008, and August 2 in each year
 27 thereafter, the department of state revenue, after reviewing the
 28 recommendation of the budget agency, shall certify the amount
 29 determined under section 6 of this chapter for a particular county
 30 (as adjusted under section 7 of this chapter) to the following:

31 (1) The auditor of state.

32 (2) The department of local government.

33 The amount certified for a county under this section shall be
 34 treated as the county's certified actual supplemental income tax
 35 revenue for the ensuing year.

36 Sec. 6. Subject to section 7 of this chapter, the amount to be
 37 certified under section 5 of this chapter for an ensuing year equals
 38 the amount of supplemental income tax revenue that the
 39 department of state revenue, after reviewing the recommendation
 40 of the budget agency, determines has been:

41 (1) received from that county for a taxable year ending before
 42 the calendar year in which the determination is made; and

43 (2) reported on an annual return or amended return
 44 processed by the department of state revenue in the state fiscal
 45 year ending before July 1 of the calendar year in which the
 46 determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of supplemental income tax made in the state fiscal year.

Sec. 7. (a) The amount determined under section 6 of this chapter shall be adjusted as provided under this section.

(b) The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified amount for a county to an amount less than the amount determined under section 6 of this chapter if the department of state revenue, after reviewing the recommendation of the budget agency, determines that the reduced certified amount is necessary to offset the effects of an overpayment to the county in a year before the year to which the certified amount applies. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the certified amount over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(c) The department of state revenue, after reviewing the recommendation of the budget agency, shall adjust the certified amount for a county to correct for any clerical or mathematical errors made in any previous certification under this chapter. The department of state revenue, after reviewing the recommendation of the budget agency, may reduce the certified amount over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

Sec. 8. Before December 2, 2008, and December 2 in each subsequent year, the department of local government finance, after reviewing the recommendation of the budget agency, shall certify the following to the auditor of state and the fiscal officer of each county:

(1) The total amount of supplemental income taxes imposed on supplemental income taxpayers in each county that are available to increase the certified property tax replacement distributions and certified homestead distributions to the county for an ensuing year.

(2) Each county's supplemental property tax replacement distribution for the ensuing year.

(3) Each county's supplemental homestead distribution for the ensuing year.

Sec. 9. The total amount of supplemental income taxes available to increase the certified property tax replacement distributions and certified homestead distributions for an ensuing year in a county is the greater of zero (0) or the result determined under STEP SIX of the following formula:

STEP ONE: Determine for all counties the sum of the certified actual supplemental income tax revenue determined for each

1 county for the ensuing year.

2 **STEP TWO: Determine for all counties the sum of the 2005**
 3 **certified total property tax relief distribution to each county.**

4 **STEP THREE: Determine the greater of zero (0) or the result**
 5 **of:**

6 (A) the STEP ONE result; minus

7 (B) the STEP TWO result.

8 **STEP FOUR: Determine the greater of zero (0) or the result**
 9 **of:**

10 (A) the county's certified actual supplemental income tax
 11 revenue for the ensuing year; minus

12 (B) the county's 2005 total property tax relief distribution.

13 **STEP FIVE: Determine the sum of the STEP FOUR amounts**
 14 **for all counties.**

15 **STEP SIX: Determine the result of:**

16 (A) the county's STEP FOUR amount; divided by

17 (B) the STEP FIVE result;

18 rounded to the nearest dollar (\$1).

19 **Sec. 10. A county's supplemental property tax replacement**
 20 **distribution for the ensuing year is equal to the total amount of**
 21 **supplemental income taxes available to increase the certified**
 22 **property tax replacement distributions and certified homestead**
 23 **distributions for an ensuing year in the county multiplied by a**
 24 **fraction. The numerator of the fraction is the county's 2005**
 25 **certified property tax replacement distribution. The denominator**
 26 **is the county's 2005 certified total property tax relief distribution.**

27 **Sec. 11. A county's supplemental homestead distribution for the**
 28 **ensuing year is equal to the total amount of supplemental income**
 29 **taxes available to increase the certified property tax replacement**
 30 **distributions and certified homestead distributions for an ensuing**
 31 **year in the county multiplied by a fraction. The numerator of the**
 32 **fraction is the county's 2005 certified homestead distribution. The**
 33 **denominator is the county's 2005 certified total property tax relief**
 34 **distribution.**

35 **Sec. 12. A county treasurer receiving a certified property tax**
 36 **replacement distribution or certified homestead distribution under**
 37 **this chapter shall apportion the amount received among the taxing**
 38 **units that imposed any part of the county's total county tax levy.**
 39 **The amount received by the county as a:**

40 (1) certified property tax replacement distribution shall be
 41 distributed to each taxing unit in proportion to the amount of
 42 revenue lost to the taxing unit as a result of the granting of
 43 property tax replacement credits in the county under
 44 IC 6-10-3; and

45 (2) certified homestead distribution shall be distributed to
 46 each taxing unit in proportion to the amount of revenue lost

1 to the taxing unit as a result of the granting of homestead
2 credits in the county under IC 6-10-4.

3 **Sec. 13. Distributions under section 12 of this chapter shall be**
4 **made in twelve (12) equal monthly installments with settlements of**
5 **overpayments and underpayments in June and December at the**
6 **same time property taxes are settled under IC 6-1.1-27-1.**

7 **Sec. 14. For the purposes of any law, rule, or other writing that**
8 **refers to property taxes, money distributed to a taxing unit under**
9 **this article shall be treated as property taxes and may be used for**
10 **any purpose for which the property taxes replaced by the money**
11 **could have been used.**

12 SECTION 40. IC 8-6-3-1 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) Whenever
14 the separation of grades at the intersection of a railroad or railroads (as
15 defined in IC 8-3-1-2) and a public street or highway is constructed, the
16 railroad or railroads shall pay five (~~5~~) percent (**5%**) of the cost of the
17 grade separation as provided in this chapter.

18 (b) This chapter shall apply to an existing crossing, a new crossing,
19 or the reconstruction of an existing grade separation.

20 (c) If more than one (1) railroad (as defined in IC 8-3-1-2) is
21 involved in a separation, the railroads involved shall divide the amount
22 to be paid by the railroads by agreement between the railroads. If the
23 railroads fail to agree, the circuit court of the county in which the
24 crossing is located shall have jurisdiction, upon the application of a
25 party, to determine the division of the amount to be paid by the
26 railroads. The decision of the court is final, unless one (1) or more
27 parties deeming themselves aggrieved by the decision of the court shall
28 appeal therefrom to the court of appeals of Indiana within thirty (30)
29 days, or within additional time not exceeding ninety (90) days, as may
30 be granted by the circuit court. The appeal shall be taken in
31 substantially the same manner as an appeal in a civil case from the
32 circuit court.

33 (d) If a grade separation shall involve a state highway that is a part
34 of the state highway system of Indiana, or a street or highway selected
35 by the Indiana department of transportation as a route of a highway in
36 the state highway system, the state, out of the funds of the Indiana
37 department of transportation or funds appropriated for the use of the
38 Indiana department of transportation, shall pay ninety-five percent
39 (95%) of the cost of the grade separation.

40 (e) Before the Indiana department of transportation shall proceed
41 with a grade separation within a city or town, the Indiana department
42 of transportation shall first obtain the consent of the city, by a
43 resolution adopted by the board or officials of the city having
44 jurisdiction over improvement of the streets of the city, and any
45 material modification of the plans upon which the consent was granted
46 shall first be approved by the city by a similar resolution.

47 (f) If such grade separation is on a highway or street not a part of the

1 highways under the jurisdiction of the Indiana department of
2 transportation, or a part of a route selected by it, but is within any city
3 or town of the state, the city or town shall pay one-half (1/2) of
4 ninety-five percent (95%) of the total of such cost and the county in
5 which the crossing is located shall be liable for and pay one-half (1/2)
6 of the ninety-five percent (95%).

7 (g) If a grade separation that involves a state highway that is a part
8 of the state highway system of Indiana, or a street or highway selected
9 by the Indiana department of transportation as a route of a highway in
10 the state highway system, necessitates the grade separation on other
11 highways or streets, not a part of the highways under the jurisdiction of
12 the Indiana department of transportation but within any city of the state
13 of Indiana, then of the total cost of the grade separation on a highway
14 or street not under the jurisdiction of the Indiana department of
15 transportation but necessitated by the grade separation involving a
16 highway or street which is a part of the state highway system, the city
17 shall pay one-fourth (1/4) of ninety-five percent (95%) and the county
18 in which the crossing is located shall be liable for and pay one-fourth
19 (1/4) of the ninety-five percent (95%) of the total of the costs and the
20 state out of the funds of the Indiana department of transportation or
21 funds appropriated for the use of the Indiana department of
22 transportation, shall be liable for and pay one-half (1/2) of the
23 remaining portion.

24 (h) If a crossing is not within any city or town and does not involve
25 a highway under the jurisdiction of the Indiana department of
26 transportation, then the county in which the crossing is located shall
27 pay the ninety-five percent (95%) of the total cost which is not paid by
28 the railroad or railroads.

29 (i) The division of the cost of grade separation applies when the
30 grade separation replaces and eliminates an existing grade crossing at
31 which active warning devices are in place or ordered to be installed by
32 a state regulatory agency, but when the grade separation does not
33 replace nor eliminate an existing grade crossing the state, county, or
34 municipality, as the case may be, shall bear and pay one hundred
35 percent (100%) of the cost of the grade separation.

36 (j) In estimating and computing the cost of the grade separation,
37 there shall be considered as a part of costs all expenses reasonably
38 necessary for preliminary engineering, rights-of-way and all work
39 required to comply with the plans and specifications for the work,
40 including all changes in the highway and the grade thereof and the
41 approaches to the grade separation, as well as all changes in the
42 roadbed, grade, rails, ties, bridges, buildings, and other structural
43 changes in a railroad as may be necessary to effect the grade separation
44 and to restore the railroad facilities aforesaid to substantially the same
45 condition as before the separation.

46 (k) The required railroad share of the cost shall be based on the costs
47 for preliminary engineering, right-of-way, and construction within the

1 limits described below:

2 (1) Where a grade crossing is eliminated by grade separation, the
3 structure and approaches for the number of lanes on the existing
4 highway and in accordance with the current design standards of
5 the governmental entity having jurisdiction over the highway
6 involved.

7 (2) Where another facility, such as a highway or waterway,
8 requiring a bridge structure is located within the limits of a grade
9 separation project, the estimated cost of a theoretical structure and
10 approaches as described under subdivision (1) to eliminate the
11 railroad-highway grade crossing without considering the presence
12 of the waterway or other highway.

13 (3) Where a grade crossing is eliminated by railroad or highway
14 relocation, the actual cost of the relocation project, or the
15 estimated cost of a structure and approaches as described under
16 subdivision (1), whichever is less.

17 (l) If the Indiana department of transportation or any city, town, or
18 county is unable to reach an agreement with a railroad company after
19 determining that construction or reconstruction of a grade separation,
20 which replaces or eliminates the need for a grade crossing, is necessary
21 to protect travelers on the roads and streets of the state, the appropriate
22 unit or combination of units of government shall give a written notice
23 of its intention to proceed with the construction or reconstruction of a
24 grade separation to the superintendent or regional engineer of the
25 railroad company. The notice of intention shall be made by the
26 adoption of a resolution stating the need for the grade separation. If,
27 after thirty (30) days, the railroad has not agreed to a division of
28 inspections, plans and specifications, the number and type of jobs to be
29 completed by each agency, a division of costs, and other necessary
30 conditions, the Indiana department of transportation, city, town, or
31 county may proceed with the grade separation exercising any and all of
32 its powers to construct or reconstruct a bridge and, notwithstanding
33 other provisions of this chapter, may pay for up to one hundred percent
34 (100%) of the cost of the project. If the railroad is unable, for good
35 cause, to pay the share of the cost required by this section, the city,
36 town, or county may certify the amount owed by the railroad to the
37 county auditor who shall prepare a special tax duplicate to be collected
38 and settled for by the county treasurer in the same manner and at the
39 same time as property taxes are collected except that such tax
40 assessment shall not authorize a payment or credit from the ~~property tax~~
41 ~~replacement state general fund. created by IC 6-1.1-21.~~ However,
42 before the Indiana department of transportation, city, town, or county
43 undertakes to do the work themselves they shall notify an agent of the
44 railroad as to the time and place of the work."

45 Page 151, between lines 25 and 26, begin a new paragraph and
46 insert:

47 "SECTION 41. IC 8-22-3.5-10 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) Except in a county described in section 1(5) of this chapter and except as provided in subsection (d), if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. Except as provided in subsection (d), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in an airport development zone who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies shall be stated on the notice.

(d) This subsection applies to an airport development zone only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local

government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an airport development zone is entitled to an additional credit under subsection (a) for the taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~): **IC 6-10-2**).

SECTION 42. IC 8-22-3.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) Notwithstanding any other law, a taxpayer in an airport development zone is not entitled to a credit for property tax replacement under ~~IC 6-1.1-21-5~~: **IC 6-10-3**.

(b) Notwithstanding subsection (a), in a county described in section 1(5) of this chapter, a taxpayer is entitled to a property tax replacement credit under ~~IC 6-1.1-21-5~~: **IC 6-10-3** for the portion of property taxes for which an inventory tax credit under section 16 of this chapter is not allowed.

(c) An amount equal to the total of all inventory tax credit available under section 16 of this chapter shall be excluded from the total county tax levy under ~~IC 6-1.1-21-2(g)~~: **IC 6-10-2**."

Page 158, line 12, after "(B)" insert "**either:**

(i)".

Page 158, line 17, after "2006" insert "; **or**

(ii) **elimination of county levies related to the funding of courts and court personnel;**".

Page 158, line 17, before "adversely" begin a new line double block indented.

Page 167, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 44. IC 12-20-25-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 45. (a) Notwithstanding IC 6-3.5-6, after the termination of the controlled status of all townships located in a county as provided in section 41 of this chapter and if the county option income tax is imposed under this chapter, the county fiscal body may adopt an ordinance to:

(1) increase the percentage credit allowed for homesteads in the county under ~~IC 6-1.1-20-9-2~~: **IC 6-10-4**; or

(2) reduce the county option income tax rate for resident county taxpayers to a rate not less than the greater of:

(A) the minimum rate necessary to satisfy the requirements of section 43 of this chapter; or

(B) the minimum rate necessary to satisfy the requirements of sections 43 and 46(2) of this chapter if an ordinance is adopted under subdivision (1).

(b) A county fiscal body may not increase the percentage credit allowed for homesteads in such a manner that more than eight percent

(8%) is added to the percentage established under ~~IC 6-1.1-20.9-2(d)~~.
IC 6-10-4.

(c) The increase in the homestead credit percentage must be uniform for all homesteads in a county.

(d) In an ordinance that increases the homestead credit percentage, the county fiscal body may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after January 1 but before June 1 of a calendar year.

(f) An ordinance adopted under this section takes effect January 1 of the next calendar year.

(g) An ordinance adopted under this section for a county is not applicable for a year if on January 1 of that year the county option income tax is not in effect."

Page 168, between lines 2 and 3, begin a new paragraph and insert:
 "SECTION 45. IC 13-21-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 15. (a) A district located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district establishes that all of the following conditions exist:

(1) The district is in the process of constructing a landfill.

(2) A higher property tax rate is necessary to pay the fees charged by out of county landfills to dispose of solid waste generated in the district during the design and construction phases of the landfill being established by the district.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section. Any additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in ~~IC 6-1.1-21-2~~; **IC 6-10-2**); and

(2) may not exceed seven and thirty-three hundredths cents (\$0.0733) on each one hundred dollars (\$100) of assessed valuation of property in the district.

(c) The department of local government finance shall establish the tax rate if a higher tax rate is permitted.

(d) A property tax rate imposed under this section expires not later than December 31, 1997.

SECTION 46. IC 13-21-3-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 15.5. (a) A district may appeal to the department of local government finance to have a property tax rate in excess of the rate permitted by section 12 of this chapter. The appeal may be granted if the district with respect to 2001 property taxes payable in 2002:

(1) imposed the maximum property tax rate established under section 12 of this chapter; and

(2) collected property tax revenue in an amount less than the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(b) The procedure applicable to maximum levy appeals under IC 6-1.1-18.5 applies to an appeal under this section.

(c) An additional levy granted under this section:

(1) is not part of the total county tax levy (as defined in ~~IC 6-1.1-21-2~~; **IC 6-10-2**); and

(2) may not exceed the rate calculated to result in a property tax levy equal to the maximum permissible ad valorem property tax levy determined for the district under IC 6-1.1-18.5.

(d) The department of local government finance shall establish the tax rate if a higher tax rate is permitted."

Page 185, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 47. IC 31-12-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) In each of the judicial circuits in which this chapter applies, judges of the superior and circuit courts may appoint one (1) or more professionally qualified domestic relations:

(1) referees;

(2) counselors;

(3) assistants; and

(4) clerks;

as are considered necessary to serve at the pleasure of the appointing judge.

(b) The appointing judge shall fix the compensation and expense of the personnel appointed under this chapter, which shall be paid out of the ~~county~~ **state** general fund.

SECTION 48. IC 31-12-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) The judges described in section 1(1) of this chapter and the judge described in section 1(2) of this chapter may appoint:

(1) one (1) or more professionally qualified domestic relations referees, counselors, and other necessary personnel, including a full-time director; and

(2) necessary assistants and clerks;

to serve during the pleasure of the appointing judge to staff the domestic relations counseling bureau.

(b) The appointing judge shall fix the compensation and expenses of the personnel appointed under this chapter, which shall be paid out of the ~~county~~ **state** general fund.

SECTION 49. IC 31-31-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. The ~~county~~ **state** shall pay the salary of a part-time juvenile court referee appointed under this chapter.

1 SECTION 50. IC 31-31-5-2 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) The salary
 3 of a probation officer shall be fixed by the county fiscal body in
 4 accordance with the salary schedule adopted by the county fiscal body
 5 under IC 36-2-16.5. ~~The salary of a probation officer shall be paid by~~
 6 ~~the county.~~

7 (b) Subject to the approval of the ~~county fiscal body~~ **division of**
 8 **state court administration**, the judge shall fix and the county shall pay
 9 the salaries of juvenile court employees other than probation officers.

10 (c) In addition to their annual salary, probation officers shall be
 11 reimbursed for any necessary travel expenses incurred in the
 12 performance of their duties in accordance with the law governing state
 13 officers and employees."

14 Page 189, between lines 10 and 11, begin a new paragraph and
 15 insert:

16 "SECTION 51. IC 31-34-8-9 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) The
 18 probation department for the juvenile court shall:

19 (1) collect the informal adjustment program fee set by section 8 of
 20 this chapter; and

21 (2) transfer the collected informal adjustment program fees to the
 22 ~~county~~ **auditor of state** not later than thirty (30) days after the fees
 23 are collected.

24 (b) The ~~county~~ **auditor of state** shall deposit the fees in the ~~county~~
 25 **user fee state general** fund. ~~established by IC 33-37-8-5.~~

26 Page 215, between lines 6 and 7, begin a new paragraph and insert:

27 "SECTION 52. IC 31-40-3-1 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. Subject to
 29 IC 31-40-1-3, juvenile court may order the parent or guardian of the
 30 estate of any child for whom a guardian ad litem or court appointed
 31 special advocate is appointed to pay to the ~~probation department clerk~~
 32 a user fee of not more than one hundred dollars (\$100) for deposit by
 33 the ~~probation department in:~~

34 (1) the guardian ad litem fund if a guardian ad litem has been
 35 appointed; or

36 (2) the court appointed special advocate fund if a court appointed
 37 special advocate has been appointed: **in the state general fund.**

38 SECTION 53. IC 31-40-3-2 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. The ~~fiscal body~~
 40 ~~of the county state~~ shall appropriate money from

41 (1) the guardian ad litem fund; or

42 (2) the court appointed special advocate fund;

43 **the state general fund** to the juvenile courts of the county for use by
 44 the courts in providing guardian ad litem or court appointed special
 45 advocate services and the costs of representation for the guardians ad
 46 litem or court appointed special advocates."

47 Page 215, between lines 13 and 14, begin a new paragraph and

1 insert:

2 "SECTION 54. IC 33-23-4-5 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Sitting in
4 committee, the judges of the courts listed in section 3 of this chapter in
5 each county shall determine the duties of the court administrator, and
6 the court administrator shall perform the administrative duties the
7 judges determine.

8 (b) The salary of the court administrator shall be determined by a
9 majority of the judges listed in section 3 of this chapter in each county,
10 sitting in committee. ~~The court administrator's salary shall be paid by~~
11 ~~the county upon the order of the majority of the committee of judges.~~

12 SECTION 55. IC 33-23-4-6 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) To
14 implement this chapter, the judges of the courts, sitting in committee,
15 may appoint additional personnel in sufficient number so that the courts
16 are adequately served by the court administrator.

17 ~~(b) The salaries of the additional personnel shall be paid by the~~
18 ~~county upon the order of the committee of judges.~~

19 SECTION 56. IC 33-23-14 IS ADDED TO THE INDIANA CODE
20 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
21 JANUARY 1, 2007]:

22 **Chapter 14. Court Expenditures**

23 **Sec. 1. Notwithstanding any other law, this chapter governs the**
24 **operations of the following courts:**

- 25 (1) Circuit court.
- 26 (2) Superior court.
- 27 (3) Probate court.
- 28 (4) County court.

29 **Sec. 2. As used in this chapter, "court" refers to a court**
30 **described in section 1 of this chapter.**

31 **Sec. 3. (a) In addition to the authority provided to a court under**
32 **IC 31 and this title to employ, manage, and fix the salary of a**
33 **judicial officer, a bailiff, a court reporter, a probation officer, a**
34 **court clerk, and other personnel (including an administrative**
35 **officer) necessary to transact the business of the court, a court may,**
36 **individually or jointly with another court, adopt rules to provide**
37 **for the administration of the court, including rules governing the**
38 **following:**

- 39 (1) Legal representation for indigents.
- 40 (2) Budgetary matters of the court.
- 41 (3) Operation of the probation department.
- 42 (4) Employment and management of court administrative
- 43 officers.
- 44 (5) Appointment and management of court appointed special
- 45 advocates and guardians ad litem.
- 46 (6) Maintenance of an adequate law library.
- 47 (7) Cooperative efforts with other courts for establishing and

1 administering shared programs and facilities.

2 (8) Operation of the office of the county clerk.

3 (b) The authority and rules of administration described in
4 subsection (a) must be consistent with the rules adopted by the
5 supreme court.

6 Sec. 4. A court shall submit a budget for the court to the division
7 of state court administration in conformity with the rules adopted
8 by the supreme court.

9 Sec. 5. The supreme court shall present a consolidated budget
10 for the operation of all courts to the general assembly and the
11 budget agency at the times and in the format the budget agency
12 requests. The budget must cover all personnel and other operating
13 expenses of courts except the expenditures described in sections 7
14 and 8 of this chapter.

15 Sec. 6. Except as provided in sections 7 and 8 of this chapter, the
16 state shall pay the personnel and other operating expenses of all
17 courts from the amounts appropriated for the operation of courts.

18 Sec. 7. (a) A county served by a court shall pay the following
19 capital, personnel, and other operating expenses of a court that are
20 not otherwise paid with federal, state, or private funds:

21 (1) Costs of providing and maintaining a suitable courtroom
22 and other rooms and facilities, including furniture and
23 equipment, as may be necessary for the judge and
24 administrative officers of the court.

25 (2) Costs of providing and operating a juvenile detention
26 facility (as defined in IC 31-9-2-71), except for the costs of
27 employing probation officers who provide services in a
28 juvenile detention facility in conformity with rules adopted by
29 the supreme court.

30 (3) Costs of providing and operating a secure private facility
31 (as defined in IC 31-9-2-115) operated by the court.

32 (4) Other costs for court operations as provided by law.

33 (b) The county shall provide a suitable place for each of the
34 following courts sitting in the county to hold court:

35 (1) Circuit court.

36 (2) Superior court.

37 (3) Probate court.

38 (4) County court.

39 Sec. 8. Regardless of whether personnel from any of the
40 following offices or programs are assigned to a court, a county shall
41 pay the capital, personnel, and other operating expenses of the
42 following offices and programs that are not otherwise paid by
43 federal, state, or private funds:

44 (1) Sheriff.

45 (2) Prosecuting attorney.

46 (3) Community corrections program.

1 **(4) Other programs as provided by law.**

2 **Sec. 9. The county executive shall provide and maintain a**
 3 **suitable courtroom and facilities, including furniture and**
 4 **equipment, as necessary, for the use of the judges and court**
 5 **administrative officers serving the county.**

6 SECTION 57. IC 33-23-15 IS ADDED TO THE INDIANA CODE
 7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2007]:

9 **Chapter 15. Court Administrative Officers**

10 **Sec. 1. Notwithstanding any other law, this chapter governs the**
 11 **operations of the following courts:**

12 **(1) Circuit court.**

13 **(2) Superior court.**

14 **(3) Probate court.**

15 **(4) County court.**

16 **Sec. 2. As used in this chapter, "administrative officer" means**
 17 **hearing judges, magistrates, commissioners, referees, bailiffs, court**
 18 **reporters, probation officers, or other permanent or temporary**
 19 **employees required to efficiently serve a court.**

20 **Sec. 3. As used in this chapter, "court" refers to a court**
 21 **described in section 1 of this chapter.**

22 **Sec. 4. A court may:**

23 **(1) employ an administrative officer necessary to transact the**
 24 **business of the court;**

25 **(2) fix the salary of an administrative officer;**

26 **(3) submit a budget; and**

27 **(4) adopt rules and procedures for the administration of the**
 28 **court.**

29 **Sec. 5. The supreme court may adopt rules to govern the**
 30 **employment and management of administrative officers. A court**
 31 **shall comply with the rules adopted under this section.**

32 SECTION 58. IC 33-28-4-3 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) The jury
 34 commissioners shall immediately, from the names of legal voters and
 35 citizens of the United States on the latest tax duplicate and the tax
 36 schedules of the county, examine for the purpose of determining the
 37 sex, age, and identity of prospective jurors, and proceed to select and
 38 deposit, in a box furnished by the clerk for that purpose, the names,
 39 written on separate slips of paper of uniform shape, size, and color, of
 40 twice as many persons as will be required by law for grand and petit
 41 jurors in the courts of the county, for all the terms of the courts, to
 42 begin with the following calendar year.

43 (b) Each selection shall be made as nearly as possible in proportion
 44 to the population of each county commissioner's district. In making the
 45 selections, the jury commissioners shall in all things observe their
 46 oaths. The jury commissioners shall not select the name of any person
 47 who is to them known to be interested in or has case pending that may

1 be tried by a jury to be drawn from the names so selected.

2 (c) The jury commissioners shall deliver the locked box to the clerk
3 of the circuit court, after having deposited into the box the names as
4 directed under this section. The key shall be retained by one (1) of the
5 jury commissioners, who may not be an adherent of the same political
6 party as the clerk.

7 (d) In a county containing a consolidated city, the jury
8 commissioners may, upon an order made by the judge of the circuit
9 court and entered in the records of the circuit court of the county, make
10 the selections and deposits required under this section monthly instead
11 of annually. The jury commissioners may omit the personal
12 examination of prospective jurors, the examination of voters lists, and
13 make selection without reference to county commissioners' districts.
14 The judge of the circuit court in a county containing a consolidated city
15 may do the following:

16 (1) Appoint a secretary for the jury commissioners, and sufficient
17 stenographic aid and clerical help to properly perform the duties
18 of the jury commissioners.

19 (2) Fix the salaries of the commissioners, the secretary, and
20 stenographic and clerical employees.

21 (3) Provide office quarters and necessary supplies for the jury
22 commissioners and their employees.

23 ~~The expenses incurred under this subsection shall be paid for from the~~
24 ~~treasury of the county upon the order of the court.~~

25 (e) ~~Subject to appropriations made by the county fiscal body~~
26 ~~approval by the division of state court administration~~, the jury
27 commissioners may use a computerized jury selection system.
28 However, the system used for the selection system must be fair and
29 may not violate the rights of persons with respect to the impartial and
30 random selection of prospective jurors. The jurors selected under the
31 computerized jury selection system must be eligible for selection under
32 this chapter. The commissioners shall deliver the names of the
33 individuals selected to the clerk of the circuit court. The commissioners
34 shall observe their oath in all activities taken under this subsection.

35 (f) The jury commissioners may supplement voter registration lists
36 and tax schedules under subsection (a) with names from lists of persons
37 residing in the county that the jury commissioners may designate as
38 necessary to obtain a cross-section of the population of each county
39 commissioner's district. The lists designated by the jury commissioners
40 under this subsection must be used for the selection of jurors
41 throughout the entire county.

42 (g) The supplemental sources designated under subsection (f) may
43 consist of such lists as those of utility customers, persons filing income
44 tax returns, motor vehicle registrations, city directories, telephone
45 directories, and driver's licenses. These supplemental lists may not be
46 substituted for the voter registration list. The jury commissioners may
47 not draw more names from supplemental sources than are drawn from

the voter registration lists and tax schedules.

SECTION 59. IC 33-28-4-7, AS AMENDED BY P.L.2-2005, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 7. (a) The circuit court shall appoint a person to fill a vacancy, or to act for a jury commissioner, as the case may require, if:

- (1) a vacancy occurs in the office of jury commissioner;
- (2) a jury commissioner fails to act when required; or
- (3) illness or any other cause renders a jury commissioner unable to act.

(b) A person appointed under subsection (a):

- (1) must possess the qualifications required for jury commissioners;
- (2) must be an adherent of the same political party as is the commissioner in whose stead the person is appointed to serve; and
- (3) shall take the oath required by this chapter.

(c) For the time actually employed in the performance of jury commissioner's duties, each jury commissioner shall be allowed a per diem to be fixed by the court. ~~and paid out of the county treasury upon the warrant of the county auditor.~~

SECTION 60. IC 33-29-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) The judge of a standard superior court shall appoint a bailiff and an official court reporter for the court.

(b) The salaries of the bailiff and the official court reporter shall be ~~(1) fixed in the same manner as the salaries of the bailiff and the official court reporter for the circuit court of the county in which the standard superior court is located. and~~

~~(2) paid monthly~~

~~(A) out of the treasury of the county in which the standard superior court is located; and~~

~~(B) as provided by law.~~

SECTION 61. IC 33-30-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. Any judge transferred to a court in another county shall be paid travel and other necessary expenses by the ~~county to which the judge is transferred.~~ **state.** An allowance for expenses shall be certified by the chief justice in duplicate to the auditor of ~~the county.~~ **state.**

SECTION 62. IC 33-30-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 3. (a) The county shall furnish all supplies, including the following:

- (1) Blanks, forms, and papers of every kind required for use in all cases.
- (2) Furniture.
- (3) Books.
- (4) Papers.
- (5) Stationery.

(6) Recording devices.

(7) Other equipment and supplies of every character necessary for the keeping of the records of the proceedings and maintaining of the county court.

(b) The county shall provide a suitable place for the holding of court for the judge of the county court sitting in the county.

(c) The ~~county~~ **state** shall pay the salary of the:

(1) deputy clerk;

(2) county police officer;

(3) bailiff; and

(4) reporter;

assigned to the county court as prescribed by law.

SECTION 63. IC 33-30-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The salary of a county court judge who serves more than one (1) county shall be paid by the ~~respective counties~~ **state** in equal amounts.

(b) The salary of every county court judge, as set by IC 33-38-5, shall be paid in equal monthly installments.

SECTION 64. IC 33-31-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 13. (a) When a person is appointed judge pro tem under this chapter, the appointee is entitled to ten dollars (\$10) for each day the appointee serves as the judge to be paid:

~~(1) out of the county treasury of the county where the probate court is held;~~

~~(2) upon the warrant of the county auditor; and~~

~~(3) based upon the filing of a claim approved by the judge of the court.~~ **by the state from the state general fund.**

(b) Any amount more than five hundred dollars (\$500) allowed to a judge pro tem during any year shall be deducted ~~by the board of county commissioners~~ from the regular annual salary of the judge of the probate court making the appointment unless the judge pro tem is appointed on account of change of venue, relationship, interest as former counsel, or absence of judge in case of serious sickness of the judge or a family member of the judge.

SECTION 65. IC 33-31-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 20. (a) The same docket fees shall be taxed in the court as are provided by law to be taxed in the circuit court.

(b) The fees, when collected, shall be ~~paid by the clerk to the treasurer of the county to be applied in reimbursing the county for expenses of the court deposited in the state general fund.~~

SECTION 66. IC 33-31-1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 22. The probate court may appoint a chief clerk and other employees as the judge considers necessary whose salaries shall be fixed by the judge. ~~and be paid out of the county treasury.~~

1 SECTION 67. IC 33-33-2-4 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The Allen
 3 circuit court has concurrent jurisdiction with the Allen superior court
 4 concerning paternity actions.

5 (b) In addition to the magistrate appointed under section 3 of this
 6 chapter, the judge of the Allen circuit court may appoint a hearing
 7 officer with the powers of a magistrate under IC 33-23-5. The hearing
 8 officer continues in office until removed by the judge.

9 (c) The salary of a hearing officer appointed under subsection (b) is
 10 equal to that of a magistrate under IC 33-23-5. ~~The hearing officer's~~
 11 ~~salary must be paid by the county.~~ The hearing officer is a county
 12 employee.

13 SECTION 68. IC 33-33-2-14 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 14. (a) The Allen
 15 superior court may appoint probate commissioners, juvenile referees,
 16 bailiffs, court reporters, probation officers, and other personnel,
 17 including an administrative officer, the court believes are necessary to
 18 facilitate and transact the business of the court.

19 (b) In addition to the personnel authorized under subsection (a) and
 20 IC 31-31-3, the following magistrates may be appointed:

21 (1) The judges of the Allen superior court-civil division may
 22 jointly appoint not more than four (4) full-time magistrates under
 23 IC 33-23-5 to serve the Allen superior court-civil division. The
 24 judges of the Allen superior court-civil division may jointly assign
 25 any magistrates the duties and powers of a probate commissioner.

26 (2) The judge of the Allen superior court-criminal division may
 27 jointly appoint not more than three (3) full-time magistrates under
 28 IC 33-23-5 to serve the Allen superior court-criminal division.
 29 Any magistrate serves at the pleasure of, and continues in office
 30 until jointly removed by, the judges of the division that appointed
 31 the magistrate.

32 (c) All appointments made under this section must be made without
 33 regard to the political affiliation of the appointees. The salaries of the
 34 personnel shall be fixed and paid as provided by law. If the salaries of
 35 any of the personnel are not provided by law, the amount and time of
 36 payment of the salaries shall be fixed by the court. ~~to be paid out of the~~
 37 ~~county treasury by the county auditor, upon the order of the court, and~~
 38 ~~be entered of record~~ The officers and persons appointed shall perform
 39 duties as are prescribed by the court. Any administrative officer
 40 appointed by the court shall operate under the jurisdiction of the chief
 41 judge and serve at the pleasure of the chief judge. Any probate
 42 commissioners, magistrates, juvenile referees, bailiffs, court reporters,
 43 probation officers, and other personnel appointed by the court serve at
 44 the pleasure of the court.

45 (d) Any probate commissioner appointed by the court may be vested
 46 by the court with all suitable powers for the handling and management
 47 of the probate and guardianship matters of the court, including the

fixing of all bonds, the auditing of accounts of estates and guardianships and trusts, acceptance of reports, accounts, and settlements filed in the court, the appointment of personal representatives, guardians, and trustees, the probating of wills, the taking and hearing of evidence on or concerning such matters, or any other probate, guardianship, or trust matters in litigation before the court, the enforcement of court rules and regulations, the making of reports to the court concerning the probate commissioner's actions under this subsection, including the taking and hearing of evidence together with the commissioner's findings and conclusions regarding the evidence. However, all matters under this subsection are under the final jurisdiction and decision of the judges of the court.

(e) A juvenile referee appointed by the court may be vested by the court with all suitable powers for the handling and management of the juvenile matters of the court, including the fixing of bonds, the taking and hearing of evidence on or concerning any juvenile matters in litigation before the court, the enforcement of court rules and regulations, and the making of reports to the court concerning the referee's actions under this subsection. The actions of a juvenile referee under this subsection are under final jurisdiction and decision of the judges of the court.

(f) A probate commissioner or juvenile referee may:

- (1) summon witnesses to testify before the commissioner or juvenile referee; and
- (2) administer oaths and take acknowledgments;

to carry out the commissioner's or juvenile referee's duties and powers.

(g) The powers of a magistrate appointed under this section include the powers provided in IC 33-23-5 and the power to enter a final order or judgment in any proceeding involving matters specified in IC 33-29-2-3 (jurisdiction of small claims docket) or IC 34-26-5 (protective orders to prevent domestic or family violence).

SECTION 69. IC 33-33-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) In addition to a bailiff and an official court reporter for the court appointed under IC 33-29-1-5, the judge of the Blackford superior court may appoint a referee, commissioner, or other personnel as the judge considers necessary to facilitate and transact the business of the court. The salary of a referee, commissioner, or other person

~~(+) shall be fixed in the same manner as the salaries of the personnel for the Blackford circuit court. and~~

~~(2) shall be paid monthly out of the treasury of Blackford County as provided by law.~~

(b) Personnel appointed under this section and IC 33-29-1-5 continue in office until removed by the judge of the court.

SECTION 70. IC 33-33-15-4, AS AMENDED BY P.L.237-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. In addition to a bailiff and an official court

1 reporter for the court appointed under IC 33-29-1-5, each judge may
 2 appoint a referee, a commissioner, or other personnel as the judge
 3 considers necessary to facilitate and transact the business of the court.
 4 The salary of a referee, a commissioner, or other person

5 ~~(1) shall be fixed in the same manner as the salaries of the~~
 6 ~~personnel for the Dearborn circuit court. and~~

7 ~~(2) shall be paid monthly out of the treasury of Dearborn County~~
 8 ~~as provided by law.~~

9 Personnel appointed under this section or IC 33-29-1-5 continue in
 10 office until removed by the judge of the court for which the personnel
 11 were appointed.

12 SECTION 71. IC 33-33-27.2-4 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. The judge of
 14 the Grant superior court No. 2 shall appoint a bailiff and an official
 15 court reporter for the court, to serve at the pleasure of the court. The
 16 judge shall fix their compensation as provided by law concerning
 17 bailiffs and official court reporters. ~~The compensation shall be paid~~
 18 ~~monthly out of the treasury of Grant County.~~

19 SECTION 72. IC 33-33-27.3-6 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) The judge
 21 of the court shall appoint a bailiff and an official court reporter for the
 22 court.

23 (b) The salaries of the bailiff and the official court reporter shall be
 24 ~~(1) fixed in the same manner as the salaries of the bailiff and~~
 25 ~~official court reporter for the Grant circuit court, Grant superior~~
 26 ~~court, and Grant superior court No. 2. and~~

27 ~~(2) paid monthly out of the treasury of Grant County as provided~~
 28 ~~by law.~~

29 SECTION 73. IC 33-33-29-4 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. In addition to
 31 the personnel that may be appointed under IC 33-29-1-5, the judge of
 32 each Hamilton superior court may appoint other personnel necessary to
 33 facilitate and transact the business of the court. The other necessary
 34 personnel shall serve at the pleasure of the court, and the judge shall fix
 35 their compensation within the limits and in the manner provided by law
 36 concerning other personnel of the court. ~~The compensation shall be~~
 37 ~~paid monthly out of the treasury of Hamilton County in the manner~~
 38 ~~provided by law.~~

39 SECTION 74. IC 33-33-35-4 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) In addition
 41 to the personnel appointed under IC 33-29-1-5, the Huntington superior
 42 court may appoint a referee and other personnel as the court determines
 43 necessary to facilitate and transact the business of the court.

44 (b) Salaries of the personnel described in this section shall be fixed
 45 in the same manner as the salaries of the bailiff and official court
 46 reporter for the Huntington circuit court. ~~Their salaries shall be paid out~~
 47 ~~of the treasury of Huntington County as provided by law.~~

SECTION 75. IC 33-33-45-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 12. (a) The senior judge of each division may appoint the number of bailiffs, court reporters, probation officers, and other personnel as the senior judge believes is necessary to judicially and efficiently facilitate and transact the business of the division. All appointments shall be made without regard to the political affiliation of the appointees. The salaries of the court personnel shall be fixed and paid as provided by law. The officers and persons appointed shall:

(1) perform the duties prescribed by the senior judge of each respective division; and

(2) serve at the pleasure of the senior judge.

(b) The court shall appoint an administrative officer who has the duties the court determines are necessary to ensure the efficient operation of the court. The court may appoint the number of deputy administrative officers as the court considers necessary to facilitate and transact the business of the court. Any appointment of an administrative officer or deputy administrative officer shall be made without regard to the political affiliation of the appointees. The salaries of the administrative officer and any deputy administrative officer shall be fixed by the court. ~~to be paid out of the county treasury by the county auditor, upon the order of the court, and entered of record.~~ Any administrative officer or deputy administrative officer appointed by the court shall:

(1) operate under the jurisdiction of the chief judge; and

(2) serve at the pleasure of the chief judge.

(c) The court may appoint part-time juvenile referees and magistrates as provided by IC 31-31-3.

(d) The court may appoint the number of probate commissioners provided for by IC 29-2-2. The probate commissioners shall be vested with the powers and duties provided by IC 29.

SECTION 76. IC 33-33-48-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 7. In addition to the personnel appointed under IC 33-29-1-5, the Madison superior court may appoint probation officers and other personnel, including an administrative officer, necessary to transact the business of the court. The salaries of the personnel shall be fixed and paid as provided by law. However, if the salaries of any of the personnel are not provided by law, the amount and time of payment of the salaries shall be fixed by the court. ~~to be paid out of the county treasury by the county auditor upon the order of the court, and be entered of record.~~ The officers and persons appointed shall perform duties as prescribed by the court. Personnel appointed by the court serve at the pleasure of the court.

SECTION 77. IC 33-33-59-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. In addition to the personnel that may be appointed under IC 33-29-1-5, the judge of the Orange superior may appoint a referee, commissioner, or other

1 personnel as the judge considers necessary to facilitate and transact the
 2 business of the court. Their salaries must be fixed in the same manner
 3 as the salaries of the personnel for the Orange circuit court. ~~Their~~
 4 ~~salaries must be paid monthly out of the treasury of Orange County as~~
 5 ~~provided by law.~~ Personnel appointed under this section continue in
 6 office until removed by the judge of the court.

7 SECTION 78. IC 33-33-79.2-4 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The clerk
 9 of the Tippecanoe circuit court shall be the clerk of superior court No.
 10 2 of Tippecanoe County, and the sheriff of Tippecanoe County shall be
 11 the sheriff of superior court No. 2 of Tippecanoe County. The clerk and
 12 sheriff shall attend court and discharge all the duties pertaining to their
 13 respective office as they are required to do by law with reference to the
 14 Tippecanoe circuit court.

15 (b) The judge of superior court No. 2 of Tippecanoe County shall
 16 appoint a bailiff and an official reporter for the court to serve during the
 17 court. The judge shall fix their compensation within the limits and in
 18 the manner provided by law concerning bailiffs and official court
 19 reporters. ~~The compensation shall be paid monthly out of the treasury~~
 20 ~~of Tippecanoe County, in the manner provided by law.~~

21 SECTION 79. IC 33-33-79.2-6 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. Superior court
 23 No. 2 of Tippecanoe County has the same original and appellate
 24 jurisdiction possessed by the Tippecanoe circuit court in civil and
 25 criminal cases, but not in matters of probate or juvenile jurisdiction.

26 SECTION 80. IC 33-33-79.4-6 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. The judges of
 28 Tippecanoe superior court No. 4, No. 5, and No. 6:

29 (1) shall each appoint a bailiff and an official court reporter for the
 30 court; and

31 (2) may each appoint other court personnel necessary to facilitate
 32 and transact the business of the court.

33 A person appointed under this section serves at the pleasure of the
 34 judge appointing the person. Their salaries shall be fixed in the same
 35 manner as the salaries of the bailiff, official court reporter, and other
 36 personnel for the Tippecanoe circuit court. ~~Their salaries shall be paid~~
 37 ~~monthly out of the treasury of Tippecanoe County as provided by law.~~

38 SECTION 81. IC 33-33-84-9 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. (a) The
 40 superior court may appoint commissioners, probate commissioners,
 41 referees, juvenile referees, bailiffs, court reporters, probation officers,
 42 and other personnel, including an administrative officer, as the court
 43 believes are necessary to facilitate and transact the business of the
 44 court. The salaries of the personnel shall be fixed and paid as provided
 45 by law. However, if the salaries of any of the personnel are not
 46 provided by law, the amount and time of payment of the salaries shall
 47 be fixed by the court. ~~to be paid out of the county treasury by the~~

1 county auditor upon the order of the court, and be entered on record
 2 The officers and persons appointed shall perform the duties as are
 3 prescribed by the court. Any such commissioners, probate
 4 commissioners, referees, juvenile referees, probation officers, and other
 5 personnel appointed by the court serve at the pleasure of the court.

6 (b) Any probate commissioner appointed by the court may be vested
 7 by the court with all suitable powers for the handling and management
 8 of the probate and guardianship matters of the court, including the
 9 fixing of all bonds, the auditing of accounts of estates and
 10 guardianships and trusts, acceptance of reports, accounts, and
 11 settlements filed in the court, the appointment of personal
 12 representatives, guardians, and trustees, the probating of wills, the
 13 taking and hearing of evidence on or concerning such matters, or any
 14 other probate, guardianship, or trust matters in litigation before the
 15 court, the enforcement of court rules and regulations, and making of
 16 reports to the court, including the taking and hearing of evidence
 17 together with the commissioner's findings and conclusions, under the
 18 final jurisdiction and decision of the judges of the court.

19 (c) Any juvenile referee appointed by the court may be vested by the
 20 court with all suitable powers for the handling and management of the
 21 juvenile matters of the court, including the fixing of bonds, the taking
 22 and hearing of evidence on or concerning any juvenile matters in
 23 litigation before the court, the enforcement of court rules and
 24 regulations, the making of reports to the court concerning the referee's
 25 doings under final jurisdiction and decision of the judges of the court.

26 (d) A probate commissioner and juvenile referee may summon
 27 witnesses to testify before the commissioner and juvenile referee,
 28 administer oaths, and take acknowledgments in connection with and in
 29 furtherance of their duties and powers.

30 SECTION 82. IC 33-33-89-5 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. The judge of
 32 the superior court shall appoint a bailiff and an official court reporter
 33 for the court, to serve during the pleasure of the court. The judge shall
 34 fix their per diem or salary within the limits and in the manner as
 35 provided by law concerning bailiffs and official court reporters. ~~The~~
 36 ~~bailiff and court reporter shall be paid monthly out of the treasury of~~
 37 ~~Wayne County in the manner provided by law.~~

38 SECTION 83. IC 33-33-89.2-4 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. The judge of
 40 the Wayne superior court No. 2 shall appoint a bailiff and an official
 41 court reporter for the court, to serve at the pleasure of the court. The
 42 judge shall fix their compensation within the limits and in the manner
 43 as may be provided by law concerning bailiffs and official court
 44 reporters. ~~The compensation shall be paid monthly out of the treasury~~
 45 ~~of Wayne County in the manner provided by law.~~

46 SECTION 84. IC 33-33-92-4 IS AMENDED TO READ AS
 47 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) If the

1 Whitley county executive establishes the position of small claims
 2 referee to serve the Whitley superior court, the judge of the Whitley
 3 superior court may appoint a part-time small claims referee under
 4 IC 33-29-3 to assist the court in the exercise of its small claims
 5 jurisdiction.

6 (b) The small claims referee is entitled to reasonable compensation
 7 not exceeding twenty thousand dollars (\$20,000) as recommended by
 8 the judge of the Whitley superior court to be paid by the county after
 9 the compensation is approved by the county fiscal body. The state shall
 10 pay ~~fifty percent (50%)~~ of the salary set under this subsection. ~~and the~~
 11 ~~county shall pay the remainder of the salary.~~

12 (c) The Whitley County executive shall provide and maintain a
 13 suitable courtroom and facilities for the use of the small claims referee,
 14 including furniture and equipment, as necessary.

15 (d) The Whitley superior court shall employ administrative staff
 16 necessary to support the functions of the small claims referee.

17 (e) The county fiscal body shall appropriate sufficient funds for the
 18 provision of staff and facilities required under this section.

19 SECTION 85. IC 33-37-5-19 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 19. (a) The clerk
 21 shall collect a jury fee of two dollars (\$2) in each action in which a
 22 defendant is found to have committed a crime, violated a statute
 23 defining an infraction, or violated an ordinance of a municipal
 24 corporation.

25 (b) The fee collected under this section shall be deposited into the
 26 ~~county user fee state general fund. established by IC 33-37-8-5.~~

27 SECTION 86. IC 33-37-7-2, AS AMENDED BY P.L.176-2005,
 28 SECTION 16, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2007]: Sec. 2. (a) The clerk of a circuit
 30 court shall distribute semiannually to the auditor of state as the state
 31 share for deposit in the state general fund ~~seventy ninety-seven percent~~
 32 ~~(70%)~~ (97%) of the amount of fees collected under the following:

- 33 (1) IC 33-37-4-1(a) (criminal costs fees).
- 34 (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- 35 (3) IC 33-37-4-3(a) (juvenile costs fees).
- 36 (4) IC 33-37-4-4(a) (civil costs fees).
- 37 (5) IC 33-37-4-6(a)(1)(A) (small claims costs fees).
- 38 (6) IC 33-37-4-7(a) (probate costs fees).
- 39 ~~(7) IC 33-37-5-17 (deferred prosecution fees).~~

40 (b) The clerk of a circuit court shall distribute semiannually to the
 41 auditor of state for deposit in the state user fee fund established in
 42 IC 33-37-9-2 the following:

- 43 (1) Twenty-five percent (25%) of the drug abuse, prosecution,
 44 interdiction, and correction fees collected under
 45 IC 33-37-4-1(b)(5).
- 46 (2) Twenty-five percent (25%) of the alcohol and drug
 47 countermeasures fees collected under IC 33-37-4-1(b)(6),

IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

(3) Fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7).

(4) One hundred percent (100%) of the domestic violence prevention and treatment fees collected under IC 33-37-4-1(b)(8).

(5) One hundred percent (100%) of the highway work zone fees collected under IC 33-37-4-1(b)(9) and IC 33-37-4-2(b)(5).

(6) One hundred percent (100%) of the safe schools fee collected under IC 33-37-5-18.

(7) One hundred percent (100%) of the automated record keeping fee (IC 33-37-5-21).

(c) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) Seventy-five percent (75%) of the drug abuse, prosecution, interdiction, and correction fees collected under IC 33-37-4-1(b)(5).

(2) Seventy-five percent (75%) of the alcohol and drug countermeasures fees collected under IC 33-37-4-1(b)(6), IC 33-37-4-2(b)(4), and IC 33-37-4-3(b)(5).

The county auditor shall deposit fees distributed by a clerk under this subsection into the county drug free community fund established under IC 5-2-11.

(d) The clerk of a circuit court shall distribute monthly to the county auditor fifty percent (50%) of the child abuse prevention fees collected under IC 33-37-4-1(b)(7). The county auditor shall deposit fees distributed by a clerk under this subsection into the county child advocacy fund established under IC 12-17-17.

(e) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the late payment fees collected under IC 33-37-5-22. The county auditor shall deposit fees distributed by a clerk under this subsection as follows:

(1) If directed to do so by an ordinance adopted by the county fiscal body, the county auditor shall deposit forty percent (40%) of the fees in the clerk's record perpetuation fund established under IC 33-37-5-2 and sixty percent (60%) of the fees in the county general fund.

(2) If the county fiscal body has not adopted an ordinance described in subdivision (1), the county auditor shall deposit all the fees in the county general fund.

(f) The clerk of the circuit court shall distribute semiannually to the auditor of state for deposit in the sexual assault victims assistance fund established by IC 16-19-13-6 one hundred percent (100%) of the sexual assault victims assistance fees collected under IC 33-37-5-23.

(g) The clerk of a circuit court shall distribute monthly to the county auditor the following:

(1) One hundred percent (100%) of the support and maintenance fees for cases designated as non-Title IV-D child support cases in

the Indiana support enforcement tracking system (ISETS) collected under IC 33-37-5-6.

(2) The percentage share of the support and maintenance fees for cases designated as IV-D child support cases in ISETS collected under IC 33-37-5-6 that is reimbursable to the county at the federal financial participation rate.

The county clerk shall distribute monthly to the office of the secretary of family and social services the percentage share of the support and maintenance fees for cases designated as Title IV-D child support cases in ISETS collected under IC 33-37-5-6 that is not reimbursable to the county at the applicable federal financial participation rate.

(h) The clerk of a circuit court shall distribute monthly to the county auditor one hundred percent (100%) of the small claims service fee under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2) for deposit in the county general fund.

(i) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The judicial salaries fees collected under IC 33-37-5-26.

(3) The DNA sample processing fees collected under IC 33-37-5-26.2.

(4) The court administration fees collected under IC 33-37-5-27.

(j) The clerk of a circuit court shall semiannually distribute to the auditor of state for deposit in the judicial branch insurance adjustment account established by IC 33-38-5-8.2 one hundred percent (100%) of the judicial insurance adjustment fee collected under IC 33-37-5-25.

(k) The proceeds of the service fee collected under IC 33-37-5-28 shall be distributed as follows:

(1) The clerk shall distribute one hundred percent (100%) of the service fees collected in a circuit, superior, county, or probate court to the county auditor for deposit in the county general fund.

(2) The clerk shall distribute one hundred percent (100%) of the service fees collected in a city or town court to the city or town fiscal officer for deposit in the city or town general fund.

SECTION 87. IC 33-37-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4. (a) The clerk of a circuit court shall forward the county share of fees collected to the county auditor in accordance with IC 33-37-7-12(a). The auditor shall retain as the county share twenty-seven percent (27%) of the amount of fees collected under the following:

~~(1) IC 33-37-4-1(a) (criminal costs fees):~~

~~(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees):~~

~~(3) IC 33-37-4-3(a) (juvenile costs fees):~~

~~(4) IC 33-37-4-4(a) (civil costs fees):~~

~~(5) IC 33-37-4-6(a)(1) (small claims costs fees):~~

1 ~~(6) IC 33-37-4-7(a) (probate costs fees).~~

2 ~~(7) IC 33-37-5-17 (deferred prosecution fees).~~

3 (b) This section applies after June 30, 2005.

4 SECTION 88. IC 33-38-2-1 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. The judge of
6 the circuit, superior, criminal, probate, and juvenile courts in each
7 county having a population of at least thirty-five thousand (35,000)
8 shall appoint a bailiff and may appoint a riding bailiff for the judge's
9 court, whose per diem shall be fixed by the court. ~~to be paid from the~~
10 ~~county treasury.~~

11 SECTION 89. IC 33-38-4-2 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 2. The salary for
13 the chief clerk:

14 (1) shall be fixed by the judge of the court; **and**

15 (2) may not be more than four thousand eight hundred dollars
16 (\$4,800) per year. **and**

17 ~~(3) shall be paid in monthly installments from the county treasury~~
18 ~~of the county in which the court is located.~~

19 SECTION 90. IC 33-38-11-9 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 9. A temporary
21 judge is entitled to twenty-five dollars (\$25) ~~paid by the county~~, for
22 each day of service as a temporary judge.

23 SECTION 91. IC 33-39-1-6, AS AMENDED BY P.L.222-2005,
24 SECTION 38, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) Special prosecutors may
26 be appointed under this section or in accordance with IC 4-2-7-7.

27 (b) A circuit or superior court judge:

28 (1) shall appoint a special prosecutor if:

29 (A) any person other than the prosecuting attorney or the
30 prosecuting attorney's deputy files a verified petition
31 requesting the appointment of a special prosecutor; and

32 (B) the prosecuting attorney agrees that a special prosecutor is
33 needed;

34 (2) may appoint a special prosecutor if:

35 (A) a person files a verified petition requesting the
36 appointment of a special prosecutor; and

37 (B) the court, after:

38 (i) notice is given to the prosecuting attorney; and

39 (ii) an evidentiary hearing is conducted at which the
40 prosecuting attorney is given an opportunity to be heard;

41 finds by clear and convincing evidence that the appointment is
42 necessary to avoid an actual conflict of interest or there is
43 probable cause to believe that the prosecutor has committed a
44 crime;

45 (3) may appoint a special prosecutor if:

46 (A) the prosecuting attorney files a petition requesting the
47 court to appoint a special prosecutor; and

- 1 (B) the court finds that the appointment is necessary to avoid
 2 the appearance of impropriety; and
 3 (4) may appoint a special prosecutor if:
 4 (A) an elected public official, who is a defendant in a criminal
 5 proceeding, files a verified petition requesting a special
 6 prosecutor within ten (10) days after the date of the initial
 7 hearing; and
 8 (B) the court finds that the appointment of a special prosecutor
 9 is in the best interests of justice.
- 10 (c) Each person appointed to serve as a special prosecutor:
 11 (1) must consent to the appointment; and
 12 (2) must be:
 13 (A) the prosecuting attorney or a deputy prosecuting attorney
 14 in a county other than the county in which the person is to
 15 serve as special prosecutor; or
 16 (B) except as provided in subsection (d), a senior prosecuting
 17 attorney.
- 18 (d) A senior prosecuting attorney may be appointed in the county in
 19 which the senior prosecuting attorney previously served if the court
 20 finds that an appointment under this subsection would not create the
 21 appearance of impropriety.
- 22 (e) A person appointed to serve as a special prosecutor has the same
 23 powers as the prosecuting attorney of the county. However, the
 24 appointing judge shall limit scope of the special prosecutor's duties to
 25 include only the investigation or prosecution of a particular case or
 26 particular grand jury investigation.
- 27 (f) The court shall establish the length of the special prosecutor's
 28 term. If the target of an investigation by the special prosecutor is a
 29 public servant (as defined in IC 35-41-1-24), the court shall order the
 30 special prosecutor to file a report of the investigation with the court at
 31 the conclusion of the investigation. The report is a public record.
- 32 (g) If the special prosecutor is not regularly employed as a full-time
 33 prosecuting attorney or full-time deputy prosecuting attorney, the
 34 compensation for the special prosecutor's services
 35 ~~(1) shall be paid to the special prosecutor from the unappropriated~~
 36 ~~funds of the appointing county; and~~
 37 ~~(2) may not exceed:~~
 38 ~~(A) (1) a per diem equal to the regular salary of a full-time~~
 39 ~~prosecuting attorney of the appointing circuit; and~~
 40 ~~(B) (2) travel expenses and reasonable accommodation~~
 41 ~~expenses actually incurred.~~
- 42 (h) If the special prosecutor is regularly employed as a full-time
 43 prosecuting attorney or deputy prosecuting attorney, the compensation
 44 for the special prosecutor's services
 45 ~~(1) shall be paid out of the appointing county's unappropriated~~
 46 ~~funds to the treasurer of the county in which the special prosecutor~~
 47 ~~regularly serves; and~~

(2) must include a per diem equal to the regular salary of a full-time prosecuting attorney of the appointing circuit, travel expenses, and reasonable accommodation expenses actually incurred.

(i) The combination of:

(1) the compensation paid to a senior prosecuting attorney under this chapter; and

(2) retirement benefits that the person appointed as a senior prosecuting attorney is receiving or entitled to receive;

may not exceed the minimum compensation to which a full-time prosecuting attorney is entitled under IC 33-39-6-5.

(j) A senior prosecuting attorney appointed under this chapter may not be compensated as senior prosecuting attorney for more than one hundred (100) calendar days in total during a calendar year.

SECTION 92. IC 33-39-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. Except as provided in section 2 of this chapter and upon the order of a judge trying a criminal case, ~~the county auditor shall pay to a prosecuting attorney from funds in the county treasury not otherwise appropriated and as a part of the costs of the trial;~~ **shall be paid** an amount equal to the expenses necessarily incurred by a prosecuting attorney in traveling to attend the taking of any deposition in connection with the criminal action.

SECTION 93. IC 33-39-6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) The compensation provided in this chapter for prosecuting attorneys and their deputies is in full for all services required by law. Prosecuting attorneys shall appear in all courts and in all cases where the law provides that they shall appear.

(b) Prosecuting attorneys, deputy prosecuting attorneys, and investigators are entitled to a sum for mileage for the miles necessarily traveled in the discharge of their duties. The sum for mileage provided by this subsection must:

(1) equal the sum per mile paid to state officers and employees, with the rate changing each time the state government changes its rate per mile; **and**

(2) be allowed by the board of county commissioners on a claim duly filed monthly by the prosecutor, deputy prosecuting attorneys, and investigators itemizing the specific mileage traveled. **and**

~~(3) be paid by the county in which the duty arose that necessitated the travel.~~

(c) This chapter does not prohibit the payment of other expenses as may be allowed by law.

(d) If a board of county commissioners does not furnish the prosecuting attorney with office space, the county council shall appropriate a reasonable amount of money per year to the prosecuting

1 attorney for office space.

2 SECTION 94. IC 33-40-7-10 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 10. (a) This
4 chapter does not prevent a court from appointing counsel other than
5 counsel provided for under the board's plan for providing defense
6 services to an indigent person when the interests of justice require. A
7 court may also appoint counsel to assist counsel provided for under the
8 board's plan as co-counsel when the interests of justice require.
9 Expenditures by a county for defense services not provided under the
10 county public defender board's plan are not subject to reimbursement
11 from the public defense fund under IC 33-40-6.

12 (b) A judge of a court having criminal jurisdiction may make a
13 written request to the state public defender to provide a qualified
14 attorney for the defense of a person charged in the court with a criminal
15 offense and eligible for representation at public expense if the judge
16 determines:

- 17 (1) that an attorney provided under the county public defender
18 board's plan is not qualified or available to represent the person;
19 or
- 20 (2) that in the interests of justice an attorney other than the
21 attorney provided for by the county defender board's plan should
22 be appointed.

23 The judge shall attach to the request a copy of the information or
24 indictment. ~~Expenditures for representation under this subsection shall~~
25 ~~be paid by the county according to a fee schedule approved by the~~
26 ~~commission. These expenditures are eligible for reimbursement from~~
27 ~~the public defense fund.~~

28 SECTION 95. IC 33-40-8-5 IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 5. (a) Subject to
30 subsection (b), if an indigent person:

- 31 (1) desires to appeal to the supreme court or the court of appeals
32 the decision of a trial court in a criminal case; and
- 33 (2) does not have sufficient means to procure the typed or printed
34 manuscript or transcript of the evidence taken by the court
35 reporter;

36 the court shall direct the court reporter to transcribe the notes of
37 evidence into a typed or printed manuscript or transcript as soon as
38 practicable and deliver the manuscript or transcript to the indigent
39 person.

40 (b) Notwithstanding subsection (a):

- 41 (1) the court must be satisfied that the indigent person lacks
42 sufficient means to pay the court reporter for making the
43 manuscript or transcript of evidence; and
- 44 (2) the court reporter may charge the compensation allowed by
45 law in cases for making and furnishing a manuscript or transcript.
46 ~~The reporter shall be paid by the court from the proper county~~
47 ~~treasury.~~

1 SECTION 96. IC 33-41-2-11 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 11. The annual
 3 salary of each court reporter shall be fixed as provided in this chapter
 4 according to the county or counties in which the court reporter holds
 5 office. A county or counties may add additional increments to the
 6 minimum annual salary according to the usual budget procedures. ~~The~~
 7 ~~salaries shall be paid in equal monthly installments.~~

8 SECTION 97. IC 35-33-7-6 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 6. (a) Prior to the
 10 completion of the initial hearing, the judicial officer shall determine
 11 whether a person who requests assigned counsel is indigent. If the
 12 person is found to be indigent, the judicial officer shall assign counsel
 13 to the person.

14 (b) If jurisdiction over an indigent defendant is transferred to another
 15 court, the receiving court shall assign counsel immediately upon
 16 acquiring jurisdiction over the defendant.

17 (c) If the court finds that the person is able to pay part of the cost of
 18 representation by the assigned counsel, the court shall order the person
 19 to pay the following:

20 (1) For a felony action, a fee of one hundred dollars (\$100).

21 (2) For a misdemeanor action, a fee of fifty dollars (\$50).

22 The clerk of the court shall deposit fees collected under this subsection
 23 in the ~~county's supplemental public defender services fund established~~
 24 ~~under IC 33-40-3-1~~ **state general fund.**

25 (d) The court may review the finding of indigency at any time
 26 during the proceedings.

27 SECTION 98. IC 35-38-2-1 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. (a) Whenever
 29 it places a person on probation, the court shall:

30 (1) specify in the record the conditions of the probation; and

31 (2) advise the person that if the person violates a condition of
 32 probation during the probationary period, a petition to revoke
 33 probation may be filed before the earlier of the following:

34 (A) One (1) year after the termination of probation.

35 (B) Forty-five (45) days after the state receives notice of the
 36 violation.

37 (b) In addition, if the person was convicted of a felony and is placed
 38 on probation, the court shall order the person to pay to the probation
 39 department the user's fee prescribed under subsection ~~(c)~~: **(d)**. If the
 40 person was convicted of a misdemeanor, the court may order the person
 41 to pay the user's fee prescribed under subsection ~~(d)~~: **(e)**. The court
 42 may:

43 (1) modify the conditions (except a fee payment may only be
 44 modified as provided in section 1.7(b) of this chapter); or

45 (2) terminate the probation;

46 at any time. If the person commits an additional crime, the court may
 47 revoke the probation.

1 (c) If a clerk of a court collects a probation user's fee, the clerk:

2 (1) may keep not more than three percent (3%) of the fee to defray
3 the administrative costs of collecting the fee and shall deposit any
4 fee kept under this subsection in the clerk's record perpetuation
5 fund established under IC 33-37-5-2; and

6 (2) if requested to do so by the county auditor, city fiscal officer,
7 or town fiscal officer under clause (A), (B), or (C), transfer not
8 more than three percent (3%) of the fee to the:

9 (A) county auditor, who shall deposit the money transferred
10 under this subdivision into the county general fund;

11 (B) city general fund when requested by the city fiscal officer;
12 or

13 (C) town general fund when requested by the town fiscal
14 officer.

15 (d) In addition to any other conditions of probation, the court shall
16 order each person convicted of a felony to pay:

17 (1) not less than twenty-five dollars (\$25) nor more than one
18 hundred dollars (\$100) as an initial probation user's fee;

19 (2) a monthly probation user's fee of not less than fifteen dollars
20 (\$15) nor more than thirty dollars (\$30) for each month that the
21 person remains on probation;

22 (3) the costs of the laboratory test or series of tests to detect and
23 confirm the presence of the human immunodeficiency virus (HIV)
24 antigen or antibodies to the human immunodeficiency virus (HIV)
25 if such tests are required by the court under section 2.3 of this
26 chapter;

27 (4) an alcohol abuse deterrent fee and a medical fee set by the
28 court under IC 9-30-9-8, if the court has referred the defendant to
29 an alcohol abuse deterrent program; and

30 (5) an administrative fee of one hundred dollars (\$100);

31 to either the probation department or the clerk.

32 (e) In addition to any other conditions of probation, the court may
33 order each person convicted of a misdemeanor to pay:

34 (1) not more than a fifty dollar (\$50) initial probation user's fee;

35 (2) a monthly probation user's fee of not less than ten dollars (\$10)
36 nor more than twenty dollars (\$20) for each month that the person
37 remains on probation;

38 (3) the costs of the laboratory test or series of tests to detect and
39 confirm the presence of the human immunodeficiency virus (HIV)
40 antigen or antibodies to the human immunodeficiency virus (HIV)
41 if such tests are required by the court under section 2.3 of this
42 chapter; and

43 (4) an administrative fee of fifty dollars (\$50);

44 to either the probation department or the clerk.

45 (f) The probation department or clerk shall collect the administrative
46 fees under subsections (d)(5) and (e)(4) before collecting any other fee
47 under subsection (d) or (e). All money collected by the probation

department or the clerk under this section shall be transferred to the county treasurer **of state**, who shall deposit the money into the county supplemental adult probation services fund **state general fund**. The fiscal body of the county shall appropriate money from the county supplemental adult probation services fund:

(1) to the county, superior, circuit, or municipal court of the county that provides probation services to adults to supplement adult probation services; and

(2) to supplement the salaries of probation officers in accordance with the schedule adopted by the county fiscal body under ~~tc 36-2-16.5~~.

(g) The probation department or clerk shall collect the administrative fee under subsection (e)(4) before collecting any other fee under subsection (e). All money collected by the probation department or the clerk of a city or town court under this section shall be transferred to the fiscal officer of the city or town for deposit into the local supplemental adult probation services fund. The fiscal body of the city or town shall appropriate money from the local supplemental adult probation services fund to the city or town court of the city or town for the court's use in providing probation services to adults or for the court's use for other purposes as may be appropriated by the fiscal body. Money may be appropriated under this subsection only to those city or town courts that have an adult probation services program. If a city or town court does not have such a program, the money collected by the probation department must be transferred and appropriated as provided under subsection (f): **state general fund**.

(h) Except as provided in subsection (j), the county or local supplemental adult probation services fund may be used only to supplement probation services and to supplement salaries for probation officers. A supplemental probation services fund may not be used to replace other funding of probation services. Any money remaining in the fund at the end of the year does not revert to any other fund but continues in the county or local supplemental adult probation services fund.

(i) A person placed on probation for more than one (1) crime:

(1) may be required to pay more than one (1) initial probation user's fee; and

(2) may not be required to pay more than one (1) monthly probation user's fee per month;

to the probation department or the clerk.

(j) This subsection applies to a city or town located in a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000). Any money remaining in the local supplemental adult probation services fund at the end of the local fiscal year may be appropriated by the city or town fiscal body to the city or town court for use by the court for purposes determined by the fiscal body.

(k) In addition to other methods of payment allowed by law, a probation department may accept payment of fees required under this section and section 1.5 of this chapter by credit card (as defined in IC 14-11-1-7). The liability for payment is not discharged until the probation department receives payment or credit from the institution responsible for making the payment or credit.

(l) The probation department may contract with a bank or credit card vendor for acceptance of bank or credit cards. However, if there is a vendor transaction charge or discount fee, whether billed to the probation department or charged directly to the probation department's account, the probation department may collect a credit card service fee from the person using the bank or credit card. The fee collected under this subsection is a permitted additional charge to the money the probation department is required to collect under subsection (d) or (e).

(m) The probation department shall forward the credit card service fees collected under subsection (l) to the ~~county treasurer or city or town fiscal officer~~ **treasurer of state** in accordance with subsection (f) or (g). These funds may be used without appropriation to pay the transaction charge or discount fee charged by the bank or credit card vendor."

Page 218, line 8, strike "IC 6-1.1-21-2(b)" and insert "**IC 6-10-2**".

Page 218, line 9, strike "IC 6-1.1-21-2(g)" and insert "**IC 6-10-2**".

Page 218, line 10, strike "IC 6-1.1-21-5" and insert "**IC 6-10-2**".

Page 218, line 11, strike "IC 6-1.1-21-4 and IC 6-1.1-21-5" and insert "**IC 6-10-3**".

Page 229, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 100. IC 36-7-14-39, AS AMENDED BY P.L.216-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the

percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the

- 1 special tax levied under section 27 of this chapter.
- 2 (D) Pay the principal of and interest on bonds issued by the
- 3 unit to pay for local public improvements in or serving that
- 4 allocation area.
- 5 (E) Pay premiums on the redemption before maturity of bonds
- 6 payable solely or in part from allocated tax proceeds in that
- 7 allocation area.
- 8 (F) Make payments on leases payable from allocated tax
- 9 proceeds in that allocation area under section 25.2 of this
- 10 chapter.
- 11 (G) Reimburse the unit for expenditures made by it for local
- 12 public improvements (which include buildings, parking
- 13 facilities, and other items described in section 25.1(a) of this
- 14 chapter) in or serving that allocation area.
- 15 (H) Reimburse the unit for rentals paid by it for a building or
- 16 parking facility in or serving that allocation area under any
- 17 lease entered into under IC 36-1-10.
- 18 (I) Pay all or a part of a property tax replacement credit to
- 19 taxpayers in an allocation area as determined by the
- 20 redevelopment commission. This credit equals the amount
- 21 determined under the following STEPS for each taxpayer in a
- 22 taxing district (as defined in ~~IC 6-1.1-1-20~~ **IC 6-10-2**) that
- 23 contains all or part of the allocation area:
- 24 STEP ONE: Determine that part of the sum of the amounts
- 25 under ~~IC 6-1.1-21-2(g)(1)(A)~~, ~~IC 6-1.1-21-2(g)(2)~~,
- 26 ~~IC 6-1.1-21-2(g)(3)~~, ~~IC 6-1.1-21-2(g)(4)~~, and
- 27 ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing
- 28 district.
- 29 STEP TWO: Divide:
- 30 (i) that part of each county's eligible property tax
- 31 replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**)
- 32 for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3**
- 33 that is attributable to the taxing district; by
- 34 (ii) the STEP ONE sum.
- 35 STEP THREE: Multiply:
- 36 (i) the STEP TWO quotient; times
- 37 (ii) the total amount of the taxpayer's taxes (as defined in
- 38 ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that
- 39 have been allocated during that year to an allocation fund
- 40 under this section.
- 41 If not all the taxpayers in an allocation area receive the credit
- 42 in full, each taxpayer in the allocation area is entitled to receive
- 43 the same proportion of the credit. A taxpayer may not receive
- 44 a credit under this section and a credit under section 39.5 of
- 45 this chapter in the same year.
- 46 (J) Pay expenses incurred by the redevelopment commission
- 47 for local public improvements that are in the allocation area or

1 serving the allocation area. Public improvements include
 2 buildings, parking facilities, and other items described in
 3 section 25.1(a) of this chapter.

4 (K) Reimburse public and private entities for expenses
 5 incurred in training employees of industrial facilities that are
 6 located:

7 (i) in the allocation area; and

8 (ii) on a parcel of real property that has been classified as
 9 industrial property under the rules of the department of local
 10 government finance.

11 However, the total amount of money spent for this purpose in
 12 any year may not exceed the total amount of money in the
 13 allocation fund that is attributable to property taxes paid by the
 14 industrial facilities described in this clause. The
 15 reimbursements under this clause must be made within three
 16 (3) years after the date on which the investments that are the
 17 basis for the increment financing are made.

18 The allocation fund may not be used for operating expenses of the
 19 commission.

20 (3) Except as provided in subsection (g), before July 15 of each
 21 year the commission shall do the following:

22 (A) Determine the amount, if any, by which the base assessed
 23 value when multiplied by the estimated tax rate of the
 24 allocation area will exceed the amount of assessed value
 25 needed to produce the property taxes necessary to make, when
 26 due, principal and interest payments on bonds described in
 27 subdivision (2) plus the amount necessary for other purposes
 28 described in subdivision (2).

29 (B) Notify the county auditor of the amount, if any, of the
 30 amount of excess assessed value that the commission has
 31 determined may be allocated to the respective taxing units in
 32 the manner prescribed in subdivision (1). The commission may
 33 not authorize an allocation of assessed value to the respective
 34 taxing units under this subdivision if to do so would endanger
 35 the interests of the holders of bonds described in subdivision
 36 (2) or lessors under section 25.3 of this chapter.

37 (c) For the purpose of allocating taxes levied by or for any taxing
 38 unit or units, the assessed value of taxable property in a territory in the
 39 allocation area that is annexed by any taxing unit after the effective date
 40 of the allocation provision of the declaratory resolution is the lesser of:

41 (1) the assessed value of the property for the assessment date with
 42 respect to which the allocation and distribution is made; or

43 (2) the base assessed value.

44 (d) Property tax proceeds allocable to the redevelopment district
 45 under subsection (b)(2) may, subject to subsection (b)(3), be
 46 irrevocably pledged by the redevelopment district for payment as set
 47 forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local

government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 101. IC 36-7-14-39.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year

1 as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is
 2 attributable to the taxing district; by
 3 (B) the STEP ONE sum.
 4 STEP THREE: Multiply:
 5 (A) the STEP TWO quotient; times
 6 (B) the total amount of the taxpayer's taxes (as defined in
 7 ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that
 8 would have been allocated to an allocation fund under section
 9 39 of this chapter had the additional credit described in this
 10 section not been given.

11 The additional credit reduces the amount of proceeds allocated to the
 12 redevelopment district and paid into an allocation fund under section
 13 39(b)(2) of this chapter.

14 (d) If the additional credit under subsection (c) is not reduced under
 15 subsection (e) or (f), the credit for property tax replacement under
 16 ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c)
 17 shall be computed on an aggregate basis for all taxpayers in a taxing
 18 district that contains all or part of an allocation area. The credit for
 19 property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the
 20 additional credit under subsection (c) shall be combined on the tax
 21 statements sent to each taxpayer.

22 (e) Upon the recommendation of the redevelopment commission, the
 23 municipal legislative body (in the case of a redevelopment commission
 24 established by a municipality) or the county executive (in the case of a
 25 redevelopment commission established by a county) may, by
 26 resolution, provide that the additional credit described in subsection (c):

- 27 (1) does not apply in a specified allocation area; or
- 28 (2) is to be reduced by a uniform percentage for all taxpayers in
 29 a specified allocation area.

30 (f) Whenever the municipal legislative body or county executive
 31 determines that granting the full additional credit under subsection (c)
 32 would adversely affect the interests of the holders of bonds or other
 33 contractual obligations that are payable from allocated tax proceeds in
 34 that allocation area in a way that would create a reasonable expectation
 35 that those bonds or other contractual obligations would not be paid
 36 when due, the municipal legislative body or county executive must
 37 adopt a resolution under subsection (e) to deny the additional credit or
 38 reduce it to a level that creates a reasonable expectation that the bonds
 39 or other obligations will be paid when due. A resolution adopted under
 40 subsection (e) denies or reduces the additional credit for property taxes
 41 first due and payable in the allocation area in any year following the
 42 year in which the resolution is adopted.

43 (g) A resolution adopted under subsection (e) remains in effect until
 44 it is rescinded by the body that originally adopted it. However, a
 45 resolution may not be rescinded if the rescission would adversely affect
 46 the interests of the holders of bonds or other obligations that are
 47 payable from allocated tax proceeds in that allocation area in a way that

would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**).

Page 233, line 2, strike "IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),".

Page 233, strike line 3.

Page 233, line 4, strike "IC 6-1.1-21-2(g)(5)" and insert "**IC 6-10-2-35(1)(A), IC 6-10-2-35(2), IC 6-10-2-35(3), IC 6-10-2-35(4), and IC 6-10-2-35(5)**".

Page 233, line 7, strike "IC 6-1.1-21-2)" and insert "**IC 6-10-2-14**".

Page 233, line 8, strike "IC 6-1.1-21-4" and insert "**IC 6-10-3**".

Page 233, line 14, strike "IC 6-1.1-21-2)" and insert "**IC 6-10-3**".

Page 238, between lines 5 and 6, begin a new paragraph and insert:
"SECTION 103. IC 36-7-15.1-26.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), (i), and (j), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. Except as provided in subsection (j), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**). This

credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that would have been allocated to an allocation fund under section 26 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into the special fund.

(f) The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i), unless the credits under subsections (g) and (h) are partial credits, shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. Except as provided in subsections (h) and (i), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credits under subsections (e), (g), (h), and (i) shall be combined on the tax statements sent to each taxpayer.

(g) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method provided in subsection (e) may be granted under this subsection. The credit provided under this subsection is first applicable for the allocation area for property taxes first due and payable in 1992. The following apply to the determination of the credit provided under this subsection:

(1) Before June 15 of each year, the fiscal officer of the consolidated city shall determine and certify the following:

(A) All amounts due in the following year to the owners of outstanding bonds payable from the allocation area special fund.

(B) All amounts that are:

(i) required under contracts with bond holders; and

(ii) payable from the allocation area special fund to fund

- 1 accounts and reserves.
- 2 (C) An estimate of the amount of personal property taxes
- 3 available to be paid into the allocation area special fund under
- 4 section 26.9(c) of this chapter.
- 5 (D) An estimate of the aggregate amount of credits to be
- 6 granted if full credits are granted.
- 7 (2) Before June 15 of each year, the fiscal officer of the
- 8 consolidated city shall determine if the granting of the full amount
- 9 of credits in the following year would impair any contract with or
- 10 otherwise adversely affect the owners of outstanding bonds
- 11 payable from the allocation area special fund.
- 12 (3) If the fiscal officer of the consolidated city determines under
- 13 subdivision (2) that there would not be an impairment or adverse
- 14 effect:
- 15 (A) the fiscal officer of the consolidated city shall certify the
- 16 determination; and
- 17 (B) the full credits shall be applied in the following year,
- 18 subject to the determinations and certifications made under
- 19 section 26.7(b) of this chapter.
- 20 (4) If the fiscal officer of the consolidated city makes an adverse
- 21 determination under subdivision (2), the fiscal officer of the
- 22 consolidated city shall determine whether there is an amount of
- 23 partial credits that, if granted in the following year, would not
- 24 result in the impairment or adverse effect. If the fiscal officer
- 25 determines that there is an amount of partial credits that would not
- 26 result in the impairment or adverse effect, the fiscal officer shall
- 27 do the following:
- 28 (A) Determine the amount of the partial credits.
- 29 (B) Certify that determination.
- 30 (5) If the fiscal officer of the consolidated city certifies under
- 31 subdivision (4) that partial credits may be paid, the partial credits
- 32 shall be applied pro rata among all affected taxpayers in the
- 33 following year.
- 34 (6) An affected taxpayer may appeal any of the following to the
- 35 circuit or superior court of the county in which the allocation area
- 36 is located:
- 37 (A) A determination by the fiscal officer of the consolidated
- 38 city that:
- 39 (i) credits may not be paid in the following year; or
- 40 (ii) only partial credits may be paid in the following year.
- 41 (B) A failure by the fiscal officer of the consolidated city to
- 42 make a determination by June 15 of whether full or partial
- 43 credits are payable under this subsection.
- 44 (7) An appeal of a determination must be filed not later than thirty
- 45 (30) days after the publication of the determination.
- 46 (8) An appeal of a failure by the fiscal officer of the consolidated
- 47 city to make a determination of whether the credits are payable

under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) may be granted under this subsection. The following apply to the credit granted under this subsection:

(1) The credit is applicable to property taxes first due and payable in 1991.

(2) For purposes of this subsection, the amount of a credit for 1990 taxes payable in 1991 with respect to an affected taxpayer is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e); multiplied by

(B) the total amount of the property taxes payable by the taxpayer that were allocated in 1991 to the allocation area special fund under section 26 of this chapter.

(3) Before June 15, 1991, the fiscal officer of the consolidated city shall determine and certify an estimate of the aggregate amount of credits for 1990 taxes payable in 1991 if the full credits are granted.

(4) The fiscal officer of the consolidated city shall determine whether the granting of the full amounts of the credits for 1990 taxes payable in 1991 against 1991 taxes payable in 1992 and the granting of credits under subsection (g) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund for an allocation area described in subsection (g).

(5) If the fiscal officer of the consolidated city determines that there would not be an impairment or adverse effect under subdivision (4):

(A) the fiscal officer shall certify that determination; and

(B) the full credits shall be applied against 1991 taxes payable in 1992 or the amount of the credits shall be paid to the taxpayers as provided in subdivision (12), subject to the determinations and certifications made under section 26.7(b) of this chapter.

(6) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (4), the fiscal officer shall determine whether there is an amount of partial credits for 1990 taxes payable in 1991 that, if granted against 1991 taxes payable in 1992 in addition to granting of the credits under subsection (g), would not result in the impairment or adverse effect.

(7) If the fiscal officer of the consolidated city determines under

1 subdivision (6) that there is an amount of partial credits that would
2 not result in the impairment or adverse effect, the fiscal officer
3 shall determine the amount of partial credits and certify that
4 determination.

5 (8) If the fiscal officer of the consolidated city certifies under
6 subdivision (7) that partial credits may be paid, the partial credits
7 shall be applied pro rata among all affected taxpayers against 1991
8 taxes payable in 1992.

9 (9) An affected taxpayer may appeal any of the following to the
10 circuit or superior court of the county in which the allocation area
11 is located:

12 (A) A determination by the fiscal officer of the consolidated
13 city that:

14 (i) credits may not be paid for 1990 taxes payable in 1991;
15 or

16 (ii) only partial credits may be paid for 1990 taxes payable
17 in 1991.

18 (B) A failure by the fiscal officer of the consolidated city to
19 make a determination by June 15, 1991, of whether credits are
20 payable under this subsection.

21 (10) An appeal of a determination must be filed not later than
22 thirty (30) days after the publication of the determination. Any
23 such appeal shall be decided by the court within sixty (60) days.

24 (11) An appeal of a failure by the fiscal officer of the consolidated
25 city to make a determination of whether credits are payable under
26 this subsection must be filed by July 15, 1991. Any such appeal
27 shall be decided by the court within sixty (60) days.

28 (12) If 1991 taxes payable in 1992 with respect to a parcel are
29 billed to the same taxpayer to which 1990 taxes payable in 1991
30 were billed, the county treasurer shall apply to the tax bill for
31 1991 taxes payable in 1992 both the credit provided under
32 subsection (g) and the credit provided under this subsection, along
33 with any credit determined to be applicable to the tax bill under
34 subsection (i). In the alternative, at the election of the county
35 auditor, the county may pay to the taxpayer the amount of the
36 credit by May 10, 1992, and the amount shall be charged to the
37 taxing units in which the allocation area is located in the
38 proportion of the taxing units' respective tax rates for 1990 taxes
39 payable in 1991.

40 (13) If 1991 taxes payable in 1992 with respect to a parcel are
41 billed to a taxpayer other than the taxpayer to which 1990 taxes
42 payable in 1991 were billed, the county treasurer shall do the
43 following:

44 (A) Apply only the credits under subsections (g) and (i) to the
45 tax bill for 1991 taxes payable in 1992.

46 (B) Give notice by June 30, 1991, by publication two (2) times
47 in three (3) newspapers in the county with the largest

- 1 circulation of the availability of a refund of the credit under
2 this subsection.
- 3 A taxpayer entitled to a credit must file an application for refund
4 of the credit with the county auditor not later than November 30,
5 1991.
- 6 (14) A taxpayer who files an application by November 30, 1991,
7 is entitled to payment from the county treasurer in an amount that
8 is in the same proportion to the credit provided under this
9 subsection with respect to a parcel as the amount of 1990 taxes
10 payable in 1991 paid by the taxpayer with respect to the parcel
11 bears to the 1990 taxes payable in 1991 with respect to the parcel.
12 This amount shall be paid to the taxpayer by May 10, 1992, and
13 shall be charged to the taxing units in which the allocation area is
14 located in the proportion of the taxing units' respective tax rates
15 for 1990 taxes payable in 1991.
- 16 (i) This subsection applies to an allocation area if allocated taxes
17 from that area were pledged to bonds, leases, or other obligations of the
18 commission before May 8, 1989. The following apply to the credit
19 granted under this subsection:
- 20 (1) A prior year credit is applicable to property taxes first due and
21 payable in each year from 1987 through 1990 (the "prior years").
- 22 (2) The credit for each prior year is equal to:
- 23 (A) the amount of the quotient determined under STEP TWO
24 of subsection (e) for the prior year; multiplied by
25 (B) the total amount of the property taxes paid by the taxpayer
26 that were allocated in the prior year to the allocation area
27 special fund under section 26 of this chapter.
- 28 (3) Before January 31, 1992, the county auditor shall determine
29 the amount of credits under subdivision (2) with respect to each
30 parcel in the allocation area for all prior years with respect to
31 which:
- 32 (A) taxes were billed to the same taxpayer for taxes payable in
33 each year from 1987 through 1991; or
34 (B) an application was filed by November 30, 1991, under
35 subdivision (8) for refund of the credits for prior years.
- 36 A report of the determination by parcel shall be sent by the county
37 auditor to the department of local government finance and the
38 budget agency within five (5) days of such determination.
- 39 (4) Before January 31, 1992, the county auditor shall determine
40 the quotient of the amounts determined under subdivision (3) with
41 respect to each parcel divided by six (6).
- 42 (5) Before January 31, 1992, the county auditor shall determine
43 the quotient of the aggregate amounts determined under
44 subdivision (3) with respect to all parcels divided by twelve (12).
- 45 (6) Except as provided in subdivisions (7) and (9), in each year in
46 which credits from prior years remain unpaid, credits for the prior
47 years in the amounts determined under subdivision (4) shall be

1 applied as provided in this subsection.

2 (7) If taxes payable in the current year with respect to a parcel are
 3 billed to the same taxpayer to which taxes payable in all of the
 4 prior years were billed and if the amount determined under
 5 subdivision (3) with respect to the parcel is at least five hundred
 6 dollars (\$500), the county treasurer shall apply the credits
 7 provided for the current year under subsections (g) and (h) and the
 8 credit in the amount determined under subdivision (4) to the tax
 9 bill for taxes payable in the current year. However, if the amount
 10 determined under subdivision (3) with respect to the parcel is less
 11 than five hundred dollars (\$500) (referred to in this subdivision as
 12 "small claims"), the county may, at the election of the county
 13 auditor, either apply a credit in the amount determined under
 14 subdivision (3) or (4) to the tax bill for taxes payable in the
 15 current year or pay either amount to the taxpayer. If title to a
 16 parcel transfers in a year in which a credit under this subsection
 17 is applied to the tax bill, the transferor may file an application
 18 with the county auditor within thirty (30) days of the date of the
 19 transfer of title to the parcel for payments to the transferor at the
 20 same times and in the same amounts that would have been
 21 allowed as credits to the transferor under this subsection if there
 22 had not been a transfer. If a determination is made by the county
 23 auditor to refund or credit small claims in the amounts determined
 24 under subdivision (3) in 1992, the county auditor may make
 25 appropriate adjustments to the credits applied with respect to other
 26 parcels so that the total refunds and credits in any year will not
 27 exceed the payments made from the state property tax
 28 replacement fund to the prior year credit fund referred to in
 29 subdivision (11) in that year.

30 (8) If taxes payable in the current year with respect to a parcel are
 31 billed to a taxpayer that is not a taxpayer to which taxes payable
 32 in all of the prior years were billed, the county treasurer shall do
 33 the following:

34 (A) Apply only the credits under subsections (g) and (h) to the
 35 tax bill for taxes payable in the current year.

36 (B) Give notice by June 30, 1991, by publication two (2) times
 37 in three (3) newspapers in the county with the largest
 38 circulation of the availability of a refund of the credit.

39 A taxpayer entitled to the credit must file an application for refund
 40 of the credit with the county auditor not later than November 30,
 41 1991. A refund shall be paid to an eligible applicant by May 10,
 42 1992.

43 (9) A taxpayer who filed an application by November 30, 1991,
 44 is entitled to payment from the county treasurer under subdivision
 45 (8) in an amount that is in the same proportion to the credit
 46 determined under subdivision (3) with respect to a parcel as the
 47 amount of taxes payable in the prior years paid by the taxpayer

with respect to the parcel bears to the taxes payable in the prior years with respect to the parcel.

(10) In each year on May 1 and November 1, the state shall pay to the county treasurer from the state property tax replacement fund the amount determined under subdivision (5).

(11) All payments received from the state under subdivision (10) shall be deposited into a special fund to be known as the prior year credit fund. The prior year credit fund shall be used to make:

(A) payments under subdivisions (7) and (9); and

(B) deposits into the special fund for the application of prior year credits.

(12) All amounts paid into the special fund for the allocation area under subdivision (11) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area.

(13) By January 15, 1993, and by January 15 of each year thereafter, the county auditor shall send to the department of local government finance and the budget agency a report of the receipts, earnings, and disbursements of the prior year credit fund for the prior calendar year. If in the final year that credits under subsection (i) are allowed any balance remains in the prior year credit fund after the payment of all credits payable under this subsection, such balance shall be repaid to the treasurer of state for deposit in the property tax replacement fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the property tax replacement fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

(j) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (e) for the taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**).".

Page 239, line 4, strike "IC 6-1.1-21-2(g)" and insert "**IC 6-10-2**".

Page 239, line 26, strike IC 6-1.1-21-2(g)(1)(D)" and insert "**IC 6-10-2-35(1)(D)**".

Page 240, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 260. IC 36-7-15.1-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in ~~IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) for that year

1 as determined under ~~IC 6-1.1-21-4(a)(1)~~ **IC 6-10-3** that is
 2 attributable to the taxing district; by

3 (B) the amount determined under STEP ONE.

4 STEP THREE: Multiply:

5 (A) the STEP TWO quotient; by

6 (B) the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~)
 7 **IC 6-10-2**) levied in the taxing district allocated to the
 8 allocation fund, including the amount that would have been
 9 allocated but for the credit.

10 (d) Except as provided in subsection (g), the commission may
 11 determine to grant to taxpayers in an allocation area from its allocation
 12 fund a credit under this section, as calculated under subsection (c), by
 13 applying one-half (1/2) of the credit to each installment of taxes (as
 14 defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) that under IC 6-1.1-22-9 are due
 15 and payable in May and November of a year. Except as provided in
 16 subsection (g), one-half (1/2) of the credit shall be applied to each
 17 installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**). The
 18 commission must provide for the credit annually by a resolution and
 19 must find in the resolution the following:

20 (1) That the money to be collected and deposited in the allocation
 21 fund, based upon historical collection rates, after granting the
 22 credit will equal the amounts payable for contractual obligations
 23 from the fund, plus ten percent (10%) of those amounts.

24 (2) If bonds payable from the fund are outstanding, that there is a
 25 debt service reserve for the bonds that at least equals the amount
 26 of the credit to be granted.

27 (3) If bonds of a lessor under section 17.1 of this chapter or under
 28 IC 36-1-10 are outstanding and if lease rentals are payable from
 29 the fund, that there is a debt service reserve for those bonds that
 30 at least equals the amount of the credit to be granted.

31 If the tax increment is insufficient to grant the credit in full, the
 32 commission may grant the credit in part, prorated among all taxpayers.

33 (e) Notwithstanding section 26(b) of this chapter, the special fund
 34 established under section 26(b) of this chapter for the allocation area for
 35 a program adopted under section 32 of this chapter may only be used
 36 to do one (1) or more of the following:

37 (1) Accomplish one (1) or more of the actions set forth in section
 38 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

39 (2) Reimburse the consolidated city for expenditures made by the
 40 city in order to accomplish the housing program in that allocation
 41 area.

42 The special fund may not be used for operating expenses of the
 43 commission.

44 (f) Notwithstanding section 26(b) of this chapter, the commission
 45 shall, relative to the special fund established under section 26(b) of this
 46 chapter for an allocation area for a program adopted under section 32
 47 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 26(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 26(b)(2) of this chapter; and

(C) to reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**).".

Page 242, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 106. IC 36-7-15.1-56 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 56. (a) As used in this section, "allocation area" has the meaning set forth in section 53 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) and except as provided in subsection (h), each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that would have been allocated to an allocation fund under section 53 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the development district and paid into an allocation fund under section 53(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the commission, the excluded city legislative body may, by resolution, provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the excluded city legislative body determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the excluded city legislative body must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that

would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**).".

Page 243, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 267. IC 36-7-30-25, AS AMENDED BY P.L.4-2005, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

- 1 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
2 property.
- 3 (b) A declaratory resolution adopted under section 10 of this chapter
4 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
5 resolutions adopted under IC 36-7-14-15 may include a provision with
6 respect to the allocation and distribution of property taxes for the
7 purposes and in the manner provided in this section. A declaratory
8 resolution previously adopted may include an allocation provision by
9 the amendment of that declaratory resolution in accordance with the
10 procedures set forth in section 13 of this chapter. The allocation
11 provision may apply to all or part of the military base reuse area. The
12 allocation provision must require that any property taxes subsequently
13 levied by or for the benefit of any public body entitled to a distribution
14 of property taxes on taxable property in the allocation area be allocated
15 and distributed as follows:
- 16 (1) Except as otherwise provided in this section, the proceeds of
17 the taxes attributable to the lesser of:
- 18 (A) the assessed value of the property for the assessment date
19 with respect to which the allocation and distribution is made;
20 or
21 (B) the base assessed value;
- 22 shall be allocated to and, when collected, paid into the funds of
23 the respective taxing units.
- 24 (2) Except as otherwise provided in this section, property tax
25 proceeds in excess of those described in subdivision (1) shall be
26 allocated to the military base reuse district and, when collected,
27 paid into an allocation fund for that allocation area that may be
28 used by the military base reuse district and only to do one (1) or
29 more of the following:
- 30 (A) Pay the principal of and interest and redemption premium
31 on any obligations incurred by the military base reuse district
32 or any other entity for the purpose of financing or refinancing
33 military base reuse activities in or directly serving or
34 benefiting that allocation area.
- 35 (B) Establish, augment, or restore the debt service reserve for
36 bonds payable solely or in part from allocated tax proceeds in
37 that allocation area or from other revenues of the reuse
38 authority, including lease rental revenues.
- 39 (C) Make payments on leases payable solely or in part from
40 allocated tax proceeds in that allocation area.
- 41 (D) Reimburse any other governmental body for expenditures
42 made for local public improvements (or structures) in or
43 directly serving or benefiting that allocation area.
- 44 (E) Pay all or a part of a property tax replacement credit to
45 taxpayers in an allocation area as determined by the reuse
46 authority. This credit equals the amount determined under the
47 following STEPS for each taxpayer in a taxing district (as

defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

- (A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed

the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under ~~IC 6-11-21~~ **IC 6-10-3**.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount

1 sufficient for the purposes specified in subsection (b)(2) for the year.
 2 The amount sufficient for purposes specified in subsection (b)(2) for the
 3 year shall be determined based on the pro rata part of such current
 4 property tax proceeds from the part of the enterprise zone that is within
 5 the allocation area as compared to all such current property tax
 6 proceeds derived from the allocation area. A unit that does not have
 7 obligations, bonds, or leases payable from allocated tax proceeds under
 8 subsection (b)(2) shall establish a special zone fund and deposit all the
 9 property tax proceeds in excess of those described in subsection (b)(1)
 10 that are derived from property in the enterprise zone in the fund. The
 11 unit that creates the special zone fund shall use the fund (based on the
 12 recommendations of the urban enterprise association) for programs in
 13 job training, job enrichment, and basic skill development that are
 14 designed to benefit residents and employers in the enterprise zone or
 15 other purposes specified in subsection (b)(2), except that where
 16 reference is made in subsection (b)(2) to allocation area it shall refer for
 17 purposes of payments from the special zone fund only to that part of the
 18 allocation area that is also located in the enterprise zone. The programs
 19 shall reserve at least one-half (1/2) of their enrollment in any session for
 20 residents of the enterprise zone.

21 (h) After each general reassessment under IC 6-1.1-4, the
 22 department of local government finance shall adjust the base assessed
 23 value one (1) time to neutralize any effect of the general reassessment
 24 on the property tax proceeds allocated to the military base reuse district
 25 under this section. However, the adjustment may not include the effect
 26 of property tax abatements under IC 6-1.1-12.1, and the adjustment
 27 may not produce less property tax proceeds allocable to the military
 28 base reuse district under subsection (b)(2) than would otherwise have
 29 been received if the general reassessment had not occurred. The
 30 department of local government finance may prescribe procedures for
 31 county and township officials to follow to assist the department in
 32 making the adjustments.

33 SECTION 108. IC 36-7-30-27 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 27. (a) As used
 35 in this section, "allocation area" has the meaning set forth in section 25
 36 of this chapter.

37 (b) As used in this section, "taxing district" has the meaning set forth
 38 in IC 6-1.1-1-20.

39 (c) Subject to subsection (e) and except as provided in subsection (h),
 40 each taxpayer in an allocation area is entitled to an additional credit for
 41 taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under IC 6-1.1-22-9
 42 are due and payable in May and November of that year. Except as
 43 provided in subsection (h), one-half (1/2) of the credit shall be applied
 44 to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**).
 45 This credit equals the amount determined under the following STEPS
 46 for each taxpayer in a taxing district that contains all or part of the
 47 allocation area:

1 STEP ONE: Determine that part of the sum of the amounts under
 2 ~~IC 6-1.1-21-2(g)(1)(A); IC 6-1.1-21-2(g)(2); IC 6-1.1-21-2(g)(3);~~
 3 ~~IC 6-1.1-21-2(g)(4); and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is
 4 attributable to the taxing district.

5 STEP TWO: Divide:

6 (A) that part of each county's eligible property tax replacement
 7 amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year
 8 as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is
 9 attributable to the taxing district; by

10 (B) the STEP ONE sum.

11 STEP THREE: Multiply:

12 (A) the STEP TWO quotient; times

13 (B) the total amount of the taxpayer's taxes (as defined in
 14 ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that
 15 would have been allocated to an allocation fund under section
 16 25 of this chapter had the additional credit described in this
 17 section not been given.

18 The additional credit reduces the amount of proceeds allocated to the
 19 military base reuse district and paid into an allocation fund under
 20 section 25(b)(2) of this chapter.

21 (d) If the additional credit under subsection (c) is not reduced under
 22 subsection (e) or (f), the credit for property tax replacement under
 23 ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c)
 24 shall be computed on an aggregate basis for all taxpayers in a taxing
 25 district that contains all or part of an allocation area. The credit for
 26 property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the
 27 additional credit under subsection (c) shall be combined on the tax
 28 statements sent to each taxpayer.

29 (e) Upon the recommendation of the reuse authority, the municipal
 30 legislative body (in the case of a reuse authority established by a
 31 municipality) or the county executive (in the case of a reuse authority
 32 established by a county) may by resolution provide that the additional
 33 credit described in subsection (c):

34 (1) does not apply in a specified allocation area; or

35 (2) is to be reduced by a uniform percentage for all taxpayers in
 36 a specified allocation area.

37 (f) If the municipal legislative body or county executive determines
 38 that granting the full additional credit under subsection (c) would
 39 adversely affect the interests of the holders of bonds or other
 40 contractual obligations that are payable from allocated tax proceeds in
 41 that allocation area in a way that would create a reasonable expectation
 42 that those bonds or other contractual obligations would not be paid
 43 when due, the municipal legislative body or county executive must
 44 adopt a resolution under subsection (e) to deny the additional credit or
 45 reduce the credit to a level that creates a reasonable expectation that the
 46 bonds or other obligations will be paid when due. A resolution adopted
 47 under subsection (e) denies or reduces the additional credit for property

1 taxes first due and payable in the allocation area in any year following
2 the year in which the resolution is adopted.

3 (g) A resolution adopted under subsection (e) remains in effect until
4 rescinded by the body that originally adopted the resolution. However,
5 a resolution may not be rescinded if the rescission would adversely
6 affect the interests of the holders of bonds or other obligations that are
7 payable from allocated tax proceeds in that allocation area in a way that
8 would create a reasonable expectation that the principal of or interest
9 on the bonds or other obligations would not be paid when due. If a
10 resolution is rescinded and no other resolution is adopted, the additional
11 credit described in subsection (c) applies to property taxes first due and
12 payable in the allocation area in each year following the year in which
13 the resolution is rescinded.

14 (h) This subsection applies to an allocation area only to the extent
15 that the net assessed value of property that is assessed as residential
16 property under the rules of the department of local government finance
17 is not included in the base assessed value. If property tax installments
18 with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**)
19 are due in installments established by the department of local
20 government finance under IC 6-1.1-22-9.5, each taxpayer subject to
21 those installments in an allocation area is entitled to an additional credit
22 under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2~~)
23 **IC 6-10-2**) due in installments. The credit shall be applied in the same
24 proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~):
25 **IC 6-10-2**).".

26 Page 245, between lines 6 and 7, begin a new paragraph and insert:
27 "SECTION 268. IC 36-7-30.5-30, AS ADDED BY P.L.203-2005,
28 SECTION 11, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JANUARY 1, 2007]: Sec. 30. (a) The following
30 definitions apply throughout this section:

31 (1) "Allocation area" means that part of a military base
32 development area to which an allocation provision of a
33 declaratory resolution adopted under section 16 of this chapter
34 refers for purposes of distribution and allocation of property taxes.

35 (2) "Base assessed value" means:

36 (A) the net assessed value of all the property as finally
37 determined for the assessment date immediately preceding the
38 adoption date of the allocation provision of the declaratory
39 resolution, as adjusted under subsection (h); plus

40 (B) to the extent that it is not included in clause (A) or (C), the
41 net assessed value of any and all parcels or classes of parcels
42 identified as part of the base assessed value in the declaratory
43 resolution or an amendment to the declaratory resolution, as
44 finally determined for any subsequent assessment date; plus

45 (C) to the extent that it is not included in clause (A) or (B), the
46 net assessed value of property that is assessed as residential
47 property under the rules of the department of local government

1 finance, as finally determined for any assessment date after the
 2 effective date of the allocation provision.

3 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 4 property.

5 (b) A declaratory resolution adopted under section 16 of this chapter
 6 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 7 resolutions adopted under IC 36-7-14-15 may include a provision with
 8 respect to the allocation and distribution of property taxes for the
 9 purposes and in the manner provided in this section. A declaratory
 10 resolution previously adopted may include an allocation provision by
 11 the amendment of that declaratory resolution in accordance with the
 12 procedures set forth in section 18 of this chapter. The allocation
 13 provision may apply to all or part of the military base development
 14 area. The allocation provision must require that any property taxes
 15 subsequently levied by or for the benefit of any public body entitled to
 16 a distribution of property taxes on taxable property in the allocation
 17 area be allocated and distributed as follows:

18 (1) Except as otherwise provided in this section, the proceeds of
 19 the taxes attributable to the lesser of:

20 (A) the assessed value of the property for the assessment date
 21 with respect to which the allocation and distribution is made;
 22 or

23 (B) the base assessed value;
 24 shall be allocated to and, when collected, paid into the funds of
 25 the respective taxing units.

26 (2) Except as otherwise provided in this section, property tax
 27 proceeds in excess of those described in subdivision (1) shall be
 28 allocated to the development authority and, when collected, paid
 29 into an allocation fund for that allocation area that may be used by
 30 the development authority and only to do one (1) or more of the
 31 following:

32 (A) Pay the principal of and interest and redemption premium
 33 on any obligations incurred by the development authority or
 34 any other entity for the purpose of financing or refinancing
 35 military base development or reuse activities in or directly
 36 serving or benefitting that allocation area.

37 (B) Establish, augment, or restore the debt service reserve for
 38 bonds payable solely or in part from allocated tax proceeds in
 39 that allocation area or from other revenues of the development
 40 authority, including lease rental revenues.

41 (C) Make payments on leases payable solely or in part from
 42 allocated tax proceeds in that allocation area.

43 (D) Reimburse any other governmental body for expenditures
 44 made for local public improvements (or structures) in or
 45 directly serving or benefitting that allocation area.

46 (E) Pay all or a part of a property tax replacement credit to
 47 taxpayers in an allocation area as determined by the

development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A)~~, ~~IC 6-1.1-21-2(g)(2)~~, ~~IC 6-1.1-21-2(g)(3)~~, ~~IC 6-1.1-21-2(g)(4)~~, and ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; by
- (ii) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefitting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

(3) Except as provided in subsection (g), before July 15 of each

1 year the development authority shall do the following:

2 (A) Determine the amount, if any, by which property taxes
3 payable to the allocation fund in the following year will exceed
4 the amount of property taxes necessary to make, when due,
5 principal and interest payments on bonds described in
6 subdivision (2) plus the amount necessary for other purposes
7 described in subdivision (2).

8 (B) Notify the appropriate county auditor of the amount, if
9 any, of the amount of excess property taxes that the
10 development authority has determined may be paid to the
11 respective taxing units in the manner prescribed in subdivision
12 (1). The development authority may not authorize a payment
13 to the respective taxing units under this subdivision if to do so
14 would endanger the interest of the holders of bonds described
15 in subdivision (2) or lessors under section 24 of this chapter.
16 Property taxes received by a taxing unit under this subdivision
17 are eligible for the property tax replacement credit provided
18 under ~~IC 6-1.1-21~~ **IC 6-10-3**.

19 (c) For the purpose of allocating taxes levied by or for any taxing
20 unit or units, the assessed value of taxable property in a territory in the
21 allocation area that is annexed by a taxing unit after the effective date
22 of the allocation provision of the declaratory resolution is the lesser of:

- 23 (1) the assessed value of the property for the assessment date with
24 respect to which the allocation and distribution is made; or
25 (2) the base assessed value.

26 (d) Property tax proceeds allocable to the military base development
27 district under subsection (b)(2) may, subject to subsection (b)(3), be
28 irrevocably pledged by the military base development district for
29 payment as set forth in subsection (b)(2).

30 (e) Notwithstanding any other law, each assessor shall, upon petition
31 of the development authority, reassess the taxable property situated
32 upon or in or added to the allocation area, effective on the next
33 assessment date after the petition.

34 (f) Notwithstanding any other law, the assessed value of all taxable
35 property in the allocation area, for purposes of tax limitation, property
36 tax replacement, and the making of the budget, tax rate, and tax levy for
37 each political subdivision in which the property is located is the lesser
38 of:

- 39 (1) the assessed value of the property as valued without regard to
40 this section; or
41 (2) the base assessed value.

42 (g) If any part of the allocation area is located in an enterprise zone
43 created under IC 5-28-15, the development authority shall create funds
44 as specified in this subsection. A development authority that has
45 obligations, bonds, or leases payable from allocated tax proceeds under
46 subsection (b)(2) shall establish an allocation fund for the purposes
47 specified in subsection (b)(2) and a special zone fund. The development

1 authority shall, until the end of the enterprise zone phase out period,
 2 deposit each year in the special zone fund any amount in the allocation
 3 fund derived from property tax proceeds in excess of those described
 4 in subsection (b)(1) from property located in the enterprise zone that
 5 exceeds the amount sufficient for the purposes specified in subsection
 6 (b)(2) for the year. The amount sufficient for purposes specified in
 7 subsection (b)(2) for the year shall be determined based on the pro rata
 8 part of such current property tax proceeds from the part of the
 9 enterprise zone that is within the allocation area as compared to all such
 10 current property tax proceeds derived from the allocation area. A
 11 development authority that does not have obligations, bonds, or leases
 12 payable from allocated tax proceeds under subsection (b)(2) shall
 13 establish a special zone fund and deposit all the property tax proceeds
 14 in excess of those described in subsection (b)(1) that are derived from
 15 property in the enterprise zone in the fund. The development authority
 16 that creates the special zone fund shall use the fund (based on the
 17 recommendations of the urban enterprise association) for programs in
 18 job training, job enrichment, and basic skill development that are
 19 designed to benefit residents and employers in the enterprise zone or for
 20 other purposes specified in subsection (b)(2), except that where
 21 reference is made in subsection (b)(2) to an allocation area it shall refer
 22 for purposes of payments from the special zone fund only to that part
 23 of the allocation area that is also located in the enterprise zone. The
 24 programs shall reserve at least one-half (1/2) of their enrollment in any
 25 session for residents of the enterprise zone.

26 (h) After each general reassessment under IC 6-1.1-4, the
 27 department of local government finance shall adjust the base assessed
 28 value one (1) time to neutralize any effect of the general reassessment
 29 on the property tax proceeds allocated to the military base development
 30 district under this section. However, the adjustment may not include the
 31 effect of property tax abatements under IC 6-1.1-12.1, and the
 32 adjustment may not produce less property tax proceeds allocable to the
 33 military base development district under subsection (b)(2) than would
 34 otherwise have been received if the general reassessment had not
 35 occurred. The department of local government finance may prescribe
 36 procedures for county and township officials to follow to assist the
 37 department in making the adjustments.

38 SECTION 269. IC 36-7-30.5-32, AS ADDED BY P.L.203-2005,
 39 SECTION 11, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2007]: Sec. 32. (a) As used in this section,
 41 "allocation area" has the meaning set forth in section 30 of this chapter.

42 (b) As used in this section, "taxing district" has the meaning set forth
 43 in IC 6-1.1-1-20.

44 (c) Subject to subsection (e) and except as provided in subsection (h),
 45 each taxpayer in an allocation area is entitled to an additional credit for
 46 taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) that under IC 6-1.1-22-9
 47 are due and payable in May and November of that year. Except as

provided in subsection (h), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~; **IC 6-10-2**). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under ~~IC 6-1.1-21-2(g)(1)(A); IC 6-1.1-21-2(g)(2); IC 6-1.1-21-2(g)(3); IC 6-1.1-21-2(g)(4); and IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~ **IC 6-10-2**) levied in the taxing district that would have been allocated to an allocation fund under section 30 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base development district and paid into an allocation fund under section 30(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under ~~IC 6-1.1-21-5~~ **IC 6-10-3** and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the development authority, the municipal legislative body of an affected municipality or the county executive of an affected county may by resolution provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must

1 adopt a resolution under subsection (e) to deny the additional credit or
 2 reduce the credit to a level that creates a reasonable expectation that the
 3 bonds or other obligations will be paid when due. A resolution adopted
 4 under subsection (e) denies or reduces the additional credit for property
 5 taxes first due and payable in the allocation area in any year following
 6 the year in which the resolution is adopted.

7 (g) A resolution adopted under subsection (e) remains in effect until
 8 rescinded by the body that originally adopted the resolution. However,
 9 a resolution may not be rescinded if the rescission would adversely
 10 affect the interests of the holders of bonds or other obligations that are
 11 payable from allocated tax proceeds in that allocation area in a way that
 12 would create a reasonable expectation that the principal of or interest
 13 on the bonds or other obligations would not be paid when due. If a
 14 resolution is rescinded and no other resolution is adopted, the additional
 15 credit described in subsection (c) applies to property taxes first due and
 16 payable in the allocation area in each year following the year in which
 17 the resolution is rescinded.

18 (h) This subsection applies to an allocation area only to the extent
 19 that the net assessed value of property that is assessed as residential
 20 property under the rules of the department of local government finance
 21 is not included in the base assessed value. If property tax installments
 22 with respect to a homestead (as defined in ~~IC 6-1.1-20-9-1~~) **IC 6-10-2**)
 23 are due in installments established by the department of local
 24 government finance under IC 6-1.1-22-9.5, each taxpayer subject to
 25 those installments in an allocation area is entitled to an additional credit
 26 under subsection (c) for the taxes (as defined in ~~IC 6-1.1-21-2~~)
 27 **IC 6-10-2**) due in installments. The credit shall be applied in the same
 28 proportion to each installment of taxes (as defined in ~~IC 6-1.1-21-2~~):
 29 **IC 6-10-2**).

30 SECTION 270. IC 36-7-32-18 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 18. (a) A
 32 redevelopment commission may, by resolution, provide that each
 33 taxpayer in a certified technology park that has been designated as an
 34 allocation area is entitled to an additional credit for taxes (as defined in
 35 ~~IC 6-1.1-21-2~~) **IC 6-10-2**) that, under IC 6-1.1-22-9, are due and
 36 payable in May and November of that year. One-half (1/2) of the credit
 37 shall be applied to each installment of property taxes. This credit equals
 38 the amount determined under the following STEPS for each taxpayer
 39 in a taxing district that contains all or part of the certified technology
 40 park:

41 STEP ONE: Determine that part of the sum of the amounts under
 42 ~~IC 6-1.1-21-2(g)(1)(A)~~ and ~~IC 6-1.1-21-2(g)(2)~~ through
 43 ~~IC 6-1.1-21-2(g)(5)~~ **IC 6-10-2** that is attributable to the taxing
 44 district.

45 STEP TWO: Divide:

46 (A) that part of the county's total eligible property tax
 47 replacement amount (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**)

for that year as determined under ~~IC 6-1.1-21-4~~ **IC 6-10-3** that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in ~~IC 6-1.1-21-2~~) **IC 6-10-2**) levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the certified technology park fund under section 17 of this chapter.

(b) The additional credit under subsection (a) shall be:

- (1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of a certified technology park; and
- (2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in a certified technology park who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies must be stated on the notice.

(d) Notwithstanding any other law, a taxpayer in a certified technology park is not entitled to a credit for property tax replacement under ~~IC 6-1.1-21-5~~. **IC 6-10-3.**"

Page 255, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 112. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2007]: IC 6-1.1-20.9; IC 6-1.1-21; IC 33-38-4-5; IC 33-38-5-2; IC 33-38-5-3; IC 33-41-2-7; IC 33-41-2-8."

Page 261, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 290. [EFFECTIVE JULY 1, 2006] **(a) The department of local government finance shall reduce the property tax levy limits and property tax rate limits that apply to a county to reflect the elimination of a county's responsibility for court related expenditures and the transfer of these responsibilities to the state.**

(b) The responsibility for the payment of court related expenditures, as described in the 2004 Indiana Judicial Services Report, Volume III, prepared by the division of state court administration of the supreme court, are transferred to the division of state court administration of the supreme court, beginning January 1, 2007. If a county increased the salary of a judge under IC 36-2-5-14 above the minimum salary established by statute, the state shall assume the responsibility for continuing the payment of

1 that component of the judge's salary through the end of the judge's
 2 current term as a judge. The additional compensation terminates
 3 on the earlier of the date that:

4 (1) the judge's term expires; or

5 (2) there is a vacancy in the judicial office held by the judge.

6 The supreme court shall submit the initial consolidated budget for
 7 court expenditures under IC 33-23-14, as added by this act, for the
 8 period beginning January 1, 2007, and ending June 30, 2007, in the
 9 manner and on the schedule determined by the budget agency. The
 10 consolidated budget shall be the basis for court related
 11 expenditures under IC 33-23-14, as added by this act, for the
 12 period beginning January 1, 2007, and ending June 30, 2007. The
 13 supreme court shall submit the initial consolidated budget for court
 14 expenditures under IC 33-23-14, as added by this act, for the
 15 period beginning July 1, 2007, and ending June 30, 2009, in the
 16 same manner and on the same schedule as the supreme court
 17 submits the remainder of its budget. The state board of accounts
 18 and the department of local government finance shall assist
 19 counties and the supreme court in transferring responsibility for
 20 the payment of court expenditures under IC 33-23-14, as added by
 21 this act, to the supreme court, division of state court
 22 administration. The supreme court, with the approval of the
 23 budget agency, may enter into agreements with a county auditor or
 24 county treasurer, or both, of any county to provide for an orderly
 25 transition of payment responsibilities from the county to the state.

26 (c) Notwithstanding the January 1, 2007, effective date of
 27 IC 6-10 and IC 33-23-14, as added by this act, county tax levies, tax
 28 rates, and budgets adopted in 2006 for 2007 shall reflect the
 29 changes made by this act.

30 (d) Money appropriated by P.L.246-2005 for the period
 31 beginning July 1, 2006, and ending June 30, 2007, to the property
 32 tax replacement fund board for distributions to counties to replace
 33 revenue lost as a result of the granting of homestead credits and
 34 property tax replacement credits may be used to:

35 (1) make distributions to counties under IC 6-10-7, as added
 36 by this act; and

37 (2) pay court expenditures under IC 33-23-14, as added by
 38 this act;

39 beginning July 1, 2006, and ending June 30, 2007. The amount of
 40 the appropriation for tuition support that is authorized in
 41 P.L.246-2005 from the property tax replacement fund shall be paid,
 42 after December 31, 2006, from the state general fund. There is
 43 appropriated any additional amounts necessary to the auditor of
 44 state from the state general fund to make the distributions to
 45 counties required under IC 6-10-7, as added by this act. There is
 46 appropriated any additional amounts necessary to the supreme

1 court from the state general fund for court expenditures under
2 IC 33-23-14, as added by this act.

3 (e) The legislative council shall provide for introduction of
4 legislation in the 2007 session of the general assembly to bring the
5 statutes into conformity with this act.

6 (f) IC 6-10 applies to taxable years beginning after December 31,
7 2006.".

8 Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 18, 2006.)

Representative Turner